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TRADE AND DEVELOPMENT BOARD

REPORT OF THE INTERGOVERNMENTAL GROUP OF EXPERTS ON FURTHER PROMOTION OF INTER-SYSTEMS TRADE

Held at the Palais des Nations, Geneva,
from 27 November to 1 December 1989

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INTRODUCTION

1. In an opening statement, the Director, Associate Co-ordinator, International Trade Programmes, observed that the current meeting was being held during a time when profound changes were taking place both in the socialist countries and in the environment of inter-systems trade. The atmosphere of confrontation in political and economic relations, in particular in East-West relations, was rapidly changing into one of understanding and co-operation.

2. These changes opened new visions for the development of inter-systems trade. But during the transition period, the socialist countries and other participants in inter-systems trade were encountering many kinds of problems, most of which are not at all easy to solve. The meeting was therefore particularly timely, in order to assess the situation, as well as to consider what role UNCTAD could play to help member countries understand and cope with the changes and overcome the difficulties.

3. Reviewing the documentation, he felt the Group might wish to base its analysis on the secretariat report "Trends and policies in trade and economic co-operation among countries having different economic and social systems" (TD/B/1195).

4. In reviewing recent developments, he recalled that, after a modest upswing in 1988 the overall economic growth of the socialist countries of Eastern Europe had slowed down in 1989. At the same time new measures had been adopted by the majority of them to accelerate the restructuring of the management of their domestic economies and foreign trade sectors. These measures were primarily directed towards decentralization of economic decision-making, substantive softening or abolition of the State monopoly on foreign trade, liberalization of the joint venture legislation, etc.

5. Inter-systems trade had continued to grow in value, both in 1988 and 1989. However, its share in world trade was stagnating and the share of the East in both exports and imports of developing countries was falling. The aggregate deficit in the balance of trade of the developing countries with the socialist countries of Eastern Europe had grown to approximately $US 11.6 billion in 1988, up from 10.5 billion in 1987, which was mainly attributable to the surplus achieved by the USSR.

6. The development assistance of some socialist countries, and particularly of the Soviet Union to the developing countries, had risen again in 1988, but domestic economic difficulties in Eastern Europe might limit further growth in this direction.

7. The exports of the socialist countries to the developed market-economy countries had grown in 1988 and the first half of 1989, but imports had increased even faster. These developments could partly be attributed to the further worsening of the terms of trade of the Soviet Union in 1988. Convertible currency constraints together with languid exports remained a serious obstacle for a sustained expansion of this trade.

8. Prospects for the future development of inter-systems trade would depend on three main groups of factors: the success of the restructuring process in

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the socialist countries; the overall developments in the world economy and particularly in world trade; and current and future measures taken for the support and normalization of inter-systems trade in the context of the world economy.

9. In elaborating the elements of a draft Programme for the further promotion of inter-systems trade, in particular East-South trade, the Group might wish to bear in mind the work done on the informal text annexed to Conference decision 145 (VI), the ideas in the secretariat document TD/B/1104/Rev.1, as well as the suggestions drafted by Groups B, D and 77, annexed to Board decisions 356 (XXXIV) and 368 (XXXV).

10. The Group might also take into account the preliminary information provided by the Secretary-General of UNCTAD on his consultations with Governments concerning the further strengthening of inter-systems trade, as well as the response to the note verbale of UNCTAD (TD/820/5(5)) of 9 March 1989 in this regard.

11. Further to the above tasks, the Group might wish, through the Trade and Development Board, to make recommendations, and give guidance to the secretariat's research work in the field of inter-systems trade and to discuss possible ways and means of expanding, diversifying and improving the efficacy of the UNCTAD secretariat's technical co-operation activities aimed at promoting East-South trade.

12. The Group's task was very heavy and demanding so that a pragmatic, rather than ambitious approach would be more constructive. What might be needed was a programme of work for UNCTAD designed in a way which would guarantee expansion of inter-systems trade, in particular East-South trade, by removing existing obstacles, by a wider geographical distribution, by improved market access and by developing new forms of co-operation.

Oral report on further promotion of inter-systems trade

13. In the oral report made by the Director, Associate Co-ordinator, International Trade Programmes, a plan of action on assessment of the UNCTAD technical assistance programme for the promotion of trade with countries of Eastern Europe was highlighted. Pursuant to Board decision 368 (XXXV), paragraphs 11-12, the necessary arrangements for this assessment had been made and included a mission, headed by an external consultant, to selected developing and socialist countries, as well as to United Nations economic commissions, during the first quarter of 1990 in order to collect views and suggestions of Governments and other organizations regarding future UNCTAD technical assistance activities and to submit them to a special workshop to be organized by UNCTAD.

14. Specialists of developing and socialist countries as well as representatives of United Nations regional commissions, the ITC, UNCTAD/GATT and UNDP would be actively involved in this workshop with the main task of making an assessment of the UNCTAD technical assistance programme in the field of inter-systems trade during the recent period, reviewing future orientations and needs, and elaborating further proposals on the programme for the forthcoming period.

Preliminary report by the Secretary-General of UNCTAD on consultations with Governments for further strengthening of inter-systems trade

15. The secretariat delivered a preliminary report by the Secretary-General of UNCTAD on his consultations with Governments for further strengthening of inter-systems trade pursuant to paragraph 105 (27) of the Final Act of UNCTAD VII and paragraph 3 of Board decisions 356 (XXXIV) and 368 (XXXV). Consequent upon his consultations with regional groups and China the Secretary-General had sent a note verbale to member States, expressing the hope that Governments of countries taking part in inter-systems trade, in particular East-South trade, would evaluate their experience and approaches with a view to further strengthening trade relations, taking account of structural changes and policy reforms in the economies of trading partners. So far 13 Governments had responded, stating inter alia that they attached great importance to UNCTAD's activities in the area of inter-systems trade and that responsibility for the fulfilment of UNCTAD's mandate and subsequent resolutions and decisions on this item remained with UNCTAD, at both the intergovernmental level and that of the secretariat. Most of them also conceded that, although East-South trade had expanded, its present level was neither commensurate with the needs of the countries nor with the possibilities which the partners could offer each other. Moreover, East-South trade was concentrated among a few countries and there was a need for its geographical expansion.

16. The result of the consultations largely revealed that there was no need for elaboration of a programme which would embody formulation of any new regulations and rules to govern inter-systems trade.

17. There was, however, need for formulation of a programme of work for UNCTAD. Such a programme should be designed in a way which would guarantee expansion of inter-systems trade, and in particular East-South trade, by removing existing obstacles, a wider geographical distribution and improved market access. The programme could incorporate a list of specific and practical measures to be carried out within the framework of UNCTAD. These measures could include analysis of the respective needs and possibilities of the various groups of countries and preparations of relevant studies.

18. As to technical assistance, the responding countries suggested, inter alia, that the UNCTAD secretariat could also assist the developing countries by intensifying its technical assistance programme in this area so that the developing countries could benefit from the process of economic reforms in the socialist countries.

19. At the request of the expert from the United States, the secretariat distributed informally statistical information on inter-systems trade up to 1988.

Chapter I

ANALYSIS AND EVALUATION OF THE EXISTING AND EVOLVING TRENDS AND POTENTIAL FACTORS RELATED TO INTER-SYSTEMS TRADE, WITH A VIEW TO IDENTIFYING THE PROBLEMS AND CONSTRAINTS WITHIN INTER-SYSTEMS TRADE, AS WELL AS THE POTENTIAL AREAS AND NECESSARY CONDITIONS FOR FURTHER EXPANSION OF THAT TRADE INCLUDING, INTER ALIA, PREFERENCE SCHEMES, FINANCING OF INTER-SYSTEMS TRADE AND ECONOMIC CO-OPERATION, INCLUDING PAYMENT ARRANGEMENTS AND JOINT VENTURES

(Agenda item 3)

ELABORATION OF ELEMENTS OF A DRAFT PROGRAMME FOR FURTHER PROMOTION OF TRADE AND ECONOMIC CO-OPERATION AMONG COUNTRIES HAVING DIFFERENT SYSTEMS, IN PARTICULAR EAST-SOUTH TRADE

(Agenda item 4)

RECOMMENDATIONS TO THE TRADE AND DEVELOPMENT BOARD AS TO THE ORIENTATIONS OF THE RESEARCH WORK OF THE SECRETARIAT, PROPOSALS FOR TECHNICAL ASSISTANCE ACTIVITIES AND THE TREATMENT OF SPECIFIC ISSUES TO BE INCLUDED AS ELEMENTS OF THE PROGRAMME

(Agenda item 5)

20. The expert from the Group of 77 (Egypt) said that the purpose of his statement was to highlight the steps his Group perceived necessary to strengthen inter-systems trade in the light of certain developments and changes that had taken place both in a number of partner countries and in the pattern of such trade and economic and financial co-operation.

21. It was important to study ongoing adjustment programmes and economic reforms under implementation in a number of partner countries and their implications for inter-systems trade, technical and economic co-operation as well as resource flows and obtain assurances that they would contribute positively to the promotion of such trade, particularly East-South trade. To that end, it was necessary that the Board regularly receive the relevant reports of the ECE.

22. There was a need for further expansion and diversification of East-South trade combined with the working out of alternative strategies to deal with constraints to such trade, which included its limited geographical distribution, deficits suffered by developing countries and the modest share of manufactures and semi-manufactures in imports from developing countries by the socialist countries. In that regard, improved market access and expansion of preferential treatment were important. There was need for examination of the possibilities of co-operation among economic groupings of socialist countries and interregional, regional and subregional groupings of developing countries, further co-operation in the areas of transfer of technology, joint ventures and co-production, and potentials for bilateral, tripartite and multilateral East/South co-operation.

23. There should be regular multilateral consultations among partners to review developments and problems in the field of inter-systems trade taking into consideration the needs of developing countries. The Board should continue regularly to assess progress in UNCTAD's work on inter-systems trade and economic co-operation, particularly between the East and the South.

24. The establishment of a trade information system in UNCTAD on data related to inter-systems trade, and economic, financial and technical co-operation should help to promote such co-operation. UNCTAD's technical assistance would be needed to help developing countries to derive benefits from reforms taking place in socialist countries of Eastern Europe.

25. The Group of 77 took note of the interim report by the Secretary-General of UNCTAD on the outcome of his consultations on inter-systems trade. Continuous co-ordination was needed between UNCTAD, UNDP, ITC and United Nations regional commissions on promoting inter-systems trade, particularly East-South trade.

26. The expert from Group B (United Kingdom) said that Group B wished to reaffirm its encouragement of and support for the dramatic changes occurring in Eastern Europe. The work of the Intergovernmental Group presented an opportunity to relate the changes in Eastern Europe to the future work programme of UNCTAD and, more importantly, to the trade and development prospects of the developing countries through their economic relations with the countries of Eastern Europe. Consideration should also be given to the future of inter-systems trade as an item on the Board's agenda and to possible changes in the way the item should be discussed at the Board's next session.

27. Previous Board decisions and texts on inter-systems trade were now outdated, and future work should focus clearly on the structural changes in the economies of the Eastern European countries. A detailed analysis by the secretariat should lead to an assessment of the impact of those changes on the prospects for trade and development of the developing countries, particularly in respect of trade in commodities and manufactures. More emphasis should be placed on the analytical work of the secretariat, and within the technical assistance programme seminars should take place in the developing countries.

28. Group B wished to pose a number of questions to generate discussion. For example, how would reforms in Eastern Europe aimed at increasing enterprises' autonomy affect Group D's economic co-operation with the developing countries? With intra-CMEA trade, as well as CMEA trade with the developing countries, turning towards payment in convertible currencies, how could work in UNCTAD help identify solutions to the payments problems in East-South trade? The restructuring of most Group D countries included plans for larger imports of manufactures; what opportunities would this present to the developing countries, and how could UNCTAD encourage such imports?

29. TD/B/1195 noted that "the difference in the country coverage of the GSP schemes of the Group D countries show that the beneficiary lists of some socialist countries could be further extended". What impact would the extension of the GSP beneficiary lists have on the trade of developing countries? If the trade of CMEA countries became less highly concentrated among the CMEA countries themselves, what opportunities would be presented to the developing countries? What impact would rising environmental concerns in

Eastern Europe have on Group D trade with the developing countries? What would the likely impact be on the trade of the developing countries of further efforts in Eastern Europe to reduce government subsidies and to increase the size of the private sector, and what would be the effects of price reform on the trade with the developing countries? With some countries of Eastern Europe actively considering privatization and market-oriented reforms, could UNCTAD assist in that process by analysing the earlier experiences of those developing countries? And finally, how could the developing countries take advantage of the rapid changes in Eastern Europe? It was important that, in tackling these problems, UNCTAD should not lag behind.

30. The expert from Bulgaria, speaking on behalf of participating experts from Group D (except Hungary) said that East-West-South trade was an integral part of international trade, in which all trade flows were increasingly interdependent. East-West-South trade was affected by all the factors that affected other trade flows and should be examined in that context. It was in addition particularly sensitive to developments in the political climate. The socialist countries in Eastern Europe had embarked on profound reforms, with the common feature of the process of economic restructuring being the drive to ensure economic efficiency through greater reliance on market-based incentives. In many instances, the unfavourable external economic environment had had an adverse effect on the economic development and trade promotion efforts of the participating countries members of Group D (except Hungary), and the benefits of those efforts would therefore come only in the middle and long term. The primary responsibility for the success of the process naturally lay with the reforming countries themselves, but success would be of benefit to all countries.

31. In elaborating a work programme in the field of East-West-South trade, the Intergovernmental Group should formulate guidelines for the work of the UNCTAD secretariat which corresponded to the current situation and which took account of all trade flows and of the interests of all countries. The programme could cover orientations for the secretariat's research work and technical assistance.

32. With regard to research and analysis, the secretariat's work could cover: (i) the impact on the prospects for promoting East-West-South trade of such factors as: interdependence, the trade policy environment, indebtedness, financial and monetary issues, technological change and transfer of technology, environmental protection; major integration processes; and structural adjustment and reform measures in individual countries in all parts of the world; (ii) the enhancement of inter-systems trade and economic co-operation, in particular between socialist countries of Eastern Europe and developing countries, particularly in terms of intensification of industrial co-operation, including joint ventures, the possibilities of free economic zones, tripartite co-operation, leasing, etc.; co-operation between regional economic groupings; the role of GSP schemes in promoting developing countries' exports of manufactures; demand in Eastern Europe for commodities of major export interest to developing countries; competitiveness of goods exported from developing countries, as well as from socialist countries of Eastern Europe; the utilization of opportunities offered by the growing economic, technological and investment potential of some developing countries.

33. With regard to technical assistance, his Group attached great importance to activities in that field, since they helped identify sectors for mutual co-operation and helped inform representatives from developing countries of the reform process in Eastern Europe and of the legal requirements relating to economic co-operation. That traditional approach could remain an important part of future technical assistance activities. In addition, it might be useful to envisage the participation of developed market-economy countries in such activities on topics of common interest.

34. The expert from China noted that inter-systems trade, despite its small volume, constituted a part of international trade and deserved to be further developed. She hoped that the structural adjustment now under implementation in many socialist countries of Eastern Europe would create more possibilities for further expansion and diversification of such trade, particularly East-South trade. Referring to the necessity for formulation of a programme on the subject, she believed it should include some key provisions which should enable further strengthening of the trade and economic co-operation among countries having different systems, especially East-South trade. Technical assistance activities in this field needed to be continued and intensified as contributory factors for such an expansion. China was ready to continue and expand its trade and economic relations with all countries, on the basis of equality of benefit and for common development.

35. The expert from Hungary observed that the process of economic reform initiated in Hungary more than two decades earlier had gained new momentum in the second half of the 1980s, when it had become apparent that the full attainment of the set objectives required substantial further changes in all fields of the economy and also in the political institutions.

36. There was ample proof that, in objectively assessing the situation, one could not detect such so-called "systemic" differences as would warrant a specific examination of trade and economic relations between Hungary on the one hand and all developed market economies and developing countries on the other. Those trade flows were an integral and inseparable part of world trade and governed by the same multilateral rules and disciplines. Consequently, the terminology "trade among countries having different economic and social systems" made no practical sense for his country and he was not in a position to take part in the elaboration of any programmes for promoting inter-systems trade, whether East-West or East-South.

37. Problem-specific areas within the competence of UNCTAD (e.g. interdependence, debt, protectionism and structural adjustment, etc.) offered suitable opportunities for the secretariat and intergovernmental machinery to take adequately into account all relevant features of and developments in the Hungarian economy. Particular problems and opportunities for trade expansion should be analysed in that context.

38. He emphasized that Hungary's full integration into the world economy meant intensified trade and economic co-operation with all countries. His Government remained committed to improving economic relations, both bilaterally and multilaterally, and fully recognized UNCTAD's role in promoting trade and development for the benefit of all.

39. The expert from France, speaking on behalf of the European Economic Community, said that UNCTAD, the most appropriate forum for North-South debate, fostered a new awareness and fresh evaluations of generally accepted ideas and supposedly immutable situations. UNCTAD was dedicated to the elaboration of new concepts which should cast new light on aspects of international co-operation. The course of events in Eastern Europe was an opportunity for the meeting to promote new perceptions of the development of East-South economic and trade relations.

40. The Community was ready to encourage economic and political reforms in Eastern Europe and to contribute to any action promoting the recovery of these countries, which were undergoing a sometimes dramatic economic crisis. The sine qua non for this was a verified return to democracy through respect for human rights and free and secret elections. These things were interlinked.

41. The unfolding events in the Eastern European countries were rich in potential for their third world partners, whose trade with the socialist countries was stagnating.

42. The establishment of a sound economic base in the socialist countries, more open management, freer external trade, the reduction of non-tariff barriers and the pursuit of convertibility of currencies should be encouraged as representing possibilities for an increase in their trade with developing countries.

43. It would take some time for concrete results to materialize for, however rapid the movement at the onset, it would be gradual and not all countries would proceed at the same pace, as could be seen today.

44. In this context, UNCTAD's work on East-South trade was of particular interest and should be sustained. Yet the solidarity of the Community with Europe as a whole would not be at the expense of solidarity with the developing countries. Solidarity with the South would remain a priority for the Community, which would maintain its commitment to development assistance, in particular that under the Lomé Convention. What was foreseen was an increased rather than a diminished effort to ensure that the developing countries could continue to benefit from the support necessary to enable them to adopt their economies so that when the time came they would be in a better position to profit from the emerging trade prospects.

45. At its third meeting the Group decided to continue its deliberations through informal meetings.

46. At the 4th plenary meeting the expert from Egypt, on behalf of the Group of 77, and the expert from Bulgaria, on behalf of participating countries of Group D (except Hungary), submitted proposals on elements of a programme for further promotion of inter-systems trade (TD/B/AC.45/L.1 and Corr.1 and 2, and TD/B/AC.45/L.3 respectively).

47. At the closing meeting the Chairman announced that the draft proposals submitted by the Group of 77 and the participating countries of Group D (except Hungary), had been discussed in great detail in informal consultations. He regretted to report that, in spite of the efforts made by all parties concerned, including his own submission of a Chairman's text,

these informal consultations had not resulted in an agreed outcome. He noted that the time factor had played an important role. It had hence been agreed by all Regional Group Co-ordinators and China that the draft proposals by the Group of 77 and the participating countries of Group D (except Hungary) should be annexed to the report of the Intergovernmental Group (see annex below).

48. The expert from Bulgaria, speaking on behalf of participating experts from Group D (except Hungary) expressed satisfaction at the constructive spirit that had developed during the formal and informal discussions, which had been quite useful. All groups had contributed to this end. All participants had made serious efforts to reach a positive outcome and some progress had been made. However, the Group had not been able to reach agreement due to some conceptual difficulties. The participating experts from Group D (except Hungary) took note of the fact that during the discussions there had been a wide degree of recognition that East-West-South trade was an integral part of international trade. This trade was affected by factors, phenomena and trends affecting world trade and all other trade flows in this interdependent world. The informal debate demonstrated that all participants had discussed the issues in a pragmatic manner and within the scope of the agenda items. However, the participating experts from Group D (except Hungary) had found that certain observations made were, by virtue of their purely political nature, totally outside the competence of UNCTAD.

49. The expert from Group B (United Kingdom) stated that participants had had an interesting exchange of views. Group B appreciated the open and frank nature of the informal discussions, especially the contributions of the countries of Eastern Europe. Like the other Groups and China, Group B had hoped that an outcome would have proved possible but could understand that, despite the good atmosphere and genuine efforts of all participants, the rapid pace of change in Eastern Europe made it difficult at the present stage to formulate elements of a work programme. Any work programme established in future would have to be kept under review to ensure that it remained relevant and reflected changing conditions.

50. It remained the concern of Group B that UNCTAD's further work in this area should focus on the trade and development prospects of the developing countries through their relations with the countries of Eastern Europe.

51. The expert from the Group of 77 (Egypt) recalled the importance which his Group attached to inter-systems trade and economic co-operation, particularly East-South trade. It strongly believed there was a continuing need to follow up the work and data on inter-systems trade and economic, financial and technical co-operation, particularly with a view to promoting East-South trade. The Group of 77 was fully aware of the fact that UNCTAD's mandate was to promote inter-systems trade, in particular East-South trade. It believed it logical that such trade would be promoted through, inter alia, studying the potential impact of East-West trade and economic technical and financial co-operation, as such a study would promote a good understanding and knowledge for the developing countries to promote their trade with the countries of Eastern Europe. It was unfortunate that such concern on the part of the Group of 77 had not been agreed to by one Group and that there was no concrete outcome regarding the elements of a programme for promotion of inter-systems trade and economic co-operation, particularly East-South co-operation, despite the strenuous efforts of all participants.

52. The Group of 77 believed that its text (see annex below) remained valid for further consideration in intergovernmental work in UNCTAD on this subject. Moreover, it remained open to the possibility of reconvening the Intergovernmental Group in order to fulfil the mandate in Board decision 368 (XXXV). The discussions had been useful and had enriched knowledge of the issues. The Group of 77 hoped that future discussion of the issues would be held in a more co-operative environment.

53. The expert from China expressed regret that despite the efforts of all participants the meeting had not resulted in an agreed outcome. In both the formal and informal discussions there had been a useful exchange of views and a certain degree of transparency had been demonstrated. This would be useful in further discussion of the issues, which, it was to be hoped, would achieve positive results.

54. In a closing address, the Chairman observed that, despite the fact that the Group had been unable to arrive at a collective commitment and agreed conclusions, the fact that there had been a valuable exchange of views was of the highest importance, especially given the circumstances presently surrounding the issues being debated. The question of inter-systems trade had a number of aspects which deserved in-depth study by all concerned. The changes and developments taking place throughout the world - and not just in the countries of Eastern Europe, were a factor which gave substantial grounds for optimism as to the future. There were also other unknown factors at the international level affecting the future of inter-systems trade. This background was very important in the promotion of inter-systems trade and UNCTAD should take it into account in its future activities, adopting a pragmatic and realistic stance and not striving for the impossible. Nevertheless, current developments would not necessarily lead to the demolition of the fundamental principles of inter-systems trade. There were a number of constants which were still valid and would remain so, despite changes in respect of, for example, tarification and prices of goods and services. UNCTAD should reconfirm these fundamentals, which would be essential factors in the promotion of inter-systems trade, and especially East-South co-operation.

Chapter II

ORGANIZATIONAL MATTERS

A. Opening of the session

55. The session of the Intergovernmental Group was opened by the Director, Associate Co-ordinator of the International Trade Programmes, on 27 November 1989.

B. Election of officers (Agenda item 1)

56. At the opening meeting, the Group elected Mr. Hani Khallaf (Egypt) as Chairman and Mr. Yuri Isakov (USSR) as Vice-Chairman-cum-Rapporteur.

C. Adoption of the agenda and organization of work (Agenda item 2)

57. Also at the opening meeting the Group adopted the agenda prepared by the UNCTAD secretariat (TD/B/AC.45/1) as follows:

1. Election officers;

2. Adoption of the agenda and organization of work;

3. Analysis and evaluation of the existing and evolving trends and potential factors related to inter-systems trade, with a view to identifying the problems and constraints within inter-systems trade, as well as the potential areas and necessary conditions for further expansion of that trade including, inter alia, preference schemes, financing of inter-systems trade and economic co-operation, including payment arrangements and joint ventures;

4. Elaboration of elements of a draft programme for further promotion of trade and economic co-operation among countries having different systems, in particular East-South trade;

5. Recommendations to the Trade and Development Board as to the orientations of the research work of the secretariat, proposals for technical assistance activities and the treatment of specific issues to be included as elements of the programme;

6. Adoption of the report of the Intergovernmental Group of Experts.

D. Membership and attendance

58. The following States members of UNCTAD participated in the meeting: Algeria; Argentina; Australia; Austria; Belgium; Brazil; Bulgaria; Cameroon; Canada; Chile; China; Cuba; Czechoslovakia; Democratic People's Republic of Korea; Denmark; Dominican Republic; Egypt; Ethiopia; Finland; France; German Democratic Republic; Germany, Federal Republic of; Ghana; Greece; Honduras; Hungary; India; Indonesia; Iran (Islamic Republic of); Ireland; Italy; Japan; Lebanon; Libyan Arab Jamahiriya; Madagascar; Mexico; Morocco; Netherlands; Nicaragua; Nigeria; Norway; Panama; Philippines; Portugal;

Republic of Korea; Senegal; Somalia; Spain; Sudan; Sweden; Switzerland; Turkey; Union of Soviet Socialist Republics; United Kingdom of Great Britain and Northern Ireland; United Republic of Tanzania; United States of America.

59. The Economic Commission for Europe; the United Nations Development Programme were represented at the meeting.

60. The following specialized agency was represented at the meeting: International Monetary Fund.

61. The following intergovernmental organization was represented at the meeting: European Economic Community.

62. The following non-governmental organization was represented at the meeting: General Category: Ibero-American Association of Chambers of Commerce.

E. Adoption of the report of the Intergovernmental Group of Experts (Agenda item 6)

63. The Rapporteur having introduced the draft report, the representative of the United States of America said that when, as the text before the Group provided, the Rapporteur was authorized to complete the final version of the report, only procedural issues and actual recording of events were normally included under that authorization. It would be very unusual for the Rapporteur to include anything else. Was it understood, therefore, that adoption of the report would mean that the meeting was substantively over? If not, under what authority had the secretariat kept on interpretation services past 6 p.m. for a meeting which was not a main Committee of the Board?

64. The Chairman noted that the Group had been working in a constructive and co-operative spirit and urged that procedural issues should not be pressed. All were aware that negotiations had still to be concluded.

65. The Director, Associate Co-ordinator, International Trade Programmes, observed that the current meeting was the first intergovernmental group of its type and, legally, its position was similar to that, for example, of the group on restrictive business practices. In conformity with the letter and the spirit of the rules, inter alia, in document TD/B/1154, facilities had been provided in agreement with the Chairman, Group Co-ordinators and China and there was no intention to continue them beyond 9 p.m.

66. The representative of the United States said that his delegation objected to this procedure. It considered the secretariat's decision to be a poor use of UNCTAD's limited resources and formally requested that the Chief of Administration provide a written explanation of it.

67. The Director, Associate Co-ordinator, International Trade Programmes, noted that interpretation services could be revoked forthwith if the Group wished.

68. Immediately following the above exchange, the Group adopted its draft report (TD/B/AC.45/L.2) and authorized the Rapporteur to complete the final version as appropriate.

Annex

PROPOSALS SUBMITTED TO THE INTERGOVERNMENTAL GROUP OF EXPERTS ON FURTHER PROMOTION OF INTER-SYSTEMS TRADE

A. Draft Elements for the Elaboration of a Programme on Promotion of Inter-Systems Trade submitted by Egypt on behalf of the States members of the Group of 77 a/

I. General guidelines for inter-systems trade and economic co-operation, particularly East-South Trade

1. Inter-systems trade constitutes an integral part of world trade.

2. The Intergovernmental Group of Experts acknowledges the diversity of national paths for development.

3. The Intergovernmental Group of Experts acknowledges the need to explore means for developing countries to extract benefits from changes and reforms taking place in the socialist countries of Eastern Europe relevant to their foreign trade sector as well as from new developments in East-West trade, economic, technological and financial co-operation.

4. There is a need to expand the volume and diversify East-South trade. There is also a need to help expand the trade between socialist countries of Eastern Europe and developing countries which have limited scope in such trade at present.

5. There is a need to expand preferential treatment and improve market access to developing countries' exports to socialist countries of Eastern Europe.

6. There is a need to enhance bilateral and multilateral forms of inter-systems trade and economic co-operation.

7. There is a need to enhance technical assistance directed by socialist countries of Eastern Europe towards developing countries and adapt it to the specific development requirements of developing countries.

II. Work Programme for UNCTAD

There is a need to link work done at the intergovernmental level and at the secretariat level on inter-systems trade and economic co-operation, particularly East-South, in the context of UNCTAD.

A. At the Intergovernmental Level

1. UNCTAD should continue to provide a forum for regular multilateral consultations among countries having different social and economic systems in order to review developments and problems in the field of inter-systems trade and economic co-operation, taking into account the trade and development needs of developing countries.

2. It should provide a forum for exchanges of assessments among individual countries of their experiences of inter-systems trade and economic co-operation with a view to strengthening such relations while taking into consideration policy reforms undertaken in inter-systems trade partners and in patterns of inter-systems trade and economic, technical and financial co-operation.

3. It should allow for study of the impact of developments in East-West trade, financial and economic co-operation on East-South trade.

4. It should allow for study of means of promoting commodities, manufactured and semi-manufactured exports of developing countries to socialist countries of Eastern Europe.

5. It should allow for study of means of overcoming the trade deficit of developing countries in their trade with the socialist countries of Eastern Europe.

6. It should ask to receive regular reports from the Economic Commission of Europe on issues in East-West trade and economic co-operation relevant to East-South trade and the interests of developing countries.

7. To continue to regularly assess progress in UNCTAD work on inter-systems trade.

8. To continue to monitor sustainability and strengthening of East-South trade flows.

B. At the secretariat level

1. Research work:

1. To study implications of economic reforms related to the foreign sector in the socialist countries of Eastern Europe as well as of changes in patterns of East-West trade, and economic co-operation and of financial flows to socialist countries of Eastern Europe on East-South trade and the developmental interests of developing countries so as to help developing countries benefit from such changes and reforms.

2. To study means to promote the exports of developing countries of manufactures, semi-manufactures and consumer goods to the socialist countries of Eastern Europe, including possible improvements in preferential schemes extended to such exports.

3. To study means of strengthening and promoting payment arrangements in East-South trade.

4. To study implications of East-West trade, financial and economic co-operation on East-South trade.

5. To explore means of promoting co-operation among economic groupings of the socialist countries of Eastern Europe and the interregional, regional and subregional groupings of developing countries.

6. To study opportunities for potential expansion of East-South trade and economic co-operation in the areas of joint ventures and industrial co-production, transfer of technology and trade in services among developing countries and the socialist countries of Eastern Europe.

2. Technical assistance:

1. There should be an extension of the UNCTAD data base to include separate data on inter-systems trade and economic co-operation to promote East-South trade.

2. To further promote organization of seminars at subregional, regional and interregional levels to promote trade and other forms of economic co-operation among developing countries and socialist countries of Eastern Europe.

3. To request contributing countries to increase financial support of UNCTAD's technical assistance activities in this field.

4. To continue to provide advisory services to developing countries, particularly with a view to helping them derive benefit from potentials of trade and economic co-operation brought about by reforms undertaken in the socialist countries in Eastern Europe and by changes in patterns of East-West trade and economic co-operation.

5. To convene the Intergovernmental Group of Experts or seminars on specific problems concerning East-South trade.

III. Inter-agency co-ordination

1. The need to co-ordinate UNCTAD activities in the field of inter-systems trade, particulalry East-South trade, with UNDP to secure sufficient resources.

2. The need to co-ordinate UNCTAD's technical assistance activities in that domain with the ITC.

3. The need to collaborate further with United Nations regional commissions.

B. Elements for a programme on the promotion of East-West-South Trade submitted by Bulgaria on behalf of participating States members of Group D (except Hungary) b/

I. Orientations for the research and analytical work of the secretariat

1. Impact of trends and factors in the world economy and trade on the status and prospects for promoting East-West-South trade:

- General factors in the world economy and in international trade, such as: interdependence, trade policy environment, indebtedness, finanacial and monetary issues, technological changes and transfer of technology, environment protection;

- Major integration processes;

- Structural adjustment and reform measures in individual countries in all parts of the world.

2. Enhancement of inter-systems trade and economic co-operation, in particular between socialist countries of Eastern Europe and developing countries:

- Promotion of industrial co-operation, including intensification of direct links at the enterprise level, setting up of joint ventures, free economic zones, tripartite East-West-South co-operation, leasing, etc.;

- Impact of East-West trade and economic co-operation on the development of East-South trade and economic co-operation;

- Possibilities for co-operation between regional economic groupings;

- Role of GSP schemes in promoting developing countries' exports of manufactures;

- Demand in Eastern Europe for commodities of major export interest to developing countries;

- Competitiveness of exported goods from developing countries, as well as from socialist countries of Eastern Europe; improvement of marketing techniques;

- Utilization of opportunities offered by the growing economic, technological and investment potential of some developing countries.

II. Technical assistance activities

- Continuation of technical assistance activities with a view to promoting East-South trade and economic co-operation while ensuring, as appropriate, participation in seminars and workshops of representatives of the business sector of the socialist countries of Eastern Europe and of developing countries, as well as participation of experts from developed market-economy countries;

- Up-dating, on a regular basis of the "Manual on trading with socialist countries of Eastern Europe";

- Providing appropriate financial support from all sources, including UNDP, for UNCTAD's technical assistance activities.

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a/ Originally circulated in TD/B/AC.45/L.1 and Corr.1 and 2. See para. 47 above.

b/ Originally circulated in TD/B/AC.45/L.3. See para. 47 above.

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PROTECTIONISM AND STRUCTURAL ADJUSTMENT

Information provided by States members of UNCTAD for the annual review by the Board on protectionism and structural adjustment

Note by the UNCTAD secretariat

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I. INTRODUCTION

1. The Trade and Development Board, in resolution 286 (XXVIII) of 6 April 1984, decided that "the Sessional Committee established by Board resolution 226 (XXII) should carry out, at the first regular session of the Board each year, the annual review of the problems of protectionism and structural adjustment ... and, in this context, should:

> (a) Monitor the implementation of Conference resolution 159 (VI) and, where necessary, formulate appropriate recommendations concerning the general problems of protectionism and continue the work on non-tariff barriers in pursuance of paragraph 6 of Conference resolution 131 (V) and paragraph 6 (b) of Conference resolution 159 (VI), as provided in section I, A (Protectionism) of the latter resolution;
>
> (b) Exchange information and discuss the experience of all members with regard to structural adjustment, review and monitor developments in trade and, where appropriate, make general policy recommendations, and review progress on structural adjustment and make appropriate recommendations, if necessary, as provided for in section I, B, (Structural adjustment) of Conference resolution 159 (VI); ..."

and established a list of elements that should be taken into account in the carrying out of these annual reviews. In paragraph 4 of the same resolution, it further invited States members of UNCTAD:

> "(a) To provide information on actions relevant to agreements and commitments in Conference resolution 159 (VI), with a view to assisting the Board in monitoring the implementation of that resolution ...;
>
> (b) To continue to provide information on their experience with regard to structural adjustment, ... so as to assist the Sessional Committee in reviewing progress in structural adjustment and in assessing its implications for the trade and development of developing countries and for the world economy as a whole;
>
> (c) To continue to co-operate in supplying and, if necessary, verifying, information required for the preparation of the comprehensive, factual and analytical studies to be prepared by the UNCTAD secretariat;".

2. In paragraph 105 of the Final Act of UNCTAD VII the Conference agreed, inter alia, to the full implementation of commitments to halt and reverse protectionism and commitments relating to structural adjustment, in particular those contained in Conference resolutions 96 (IV), 131 (V) and 159 (VI). It also agreed that the annual review of protectionism and structural adjustment in the Trade and Development Board should continue under the existing mandate and should be improved to have a wider coverage taking into account the specific interests of developing countries. The Conference further agreed that Governments should consider, as part of their fight against protectionism, the establishment of transparent mechanisms at the national level to evaluate protectionist measures and the implications of such measures for the domestic economy as a whole and their effects on the export interests of developing countries.

3. Accordingly, in notes dated 6 July 1989 and 16 October 1989 the Secretary-General of UNCTAD requested States to provide the information in question.

4. The present document reproduces the information received, as at 8 December 1989, from: Australia, Austria, Cameroon, Costa Rica, European Economic Community, Jordan, New Zealand, Mozambique, Nigeria, Oman, Switzerland, Sweden and Venezuela.

5. The terminology used is that of the original source.

II. INFORMATION PROVIDED BY STATES MEMBERS OF UNCTAD

A. AUSTRALIA

[Original: ENGLISH]

DEVELOPMENTS IN INTERNATIONAL TRADE

A. Changes in trade laws and procedure

Australia's living standards are directly linked to its trading performance. Trade policy is therefore an important element of the Government's economic policy, which aims at achieving maximum sustained non-inflationary economic growth and rising living standards. Exposure to international trade and competition, and removal of domestic regulation are seen as essential means of securing greater efficiency and responsiveness in the domestic economy.

The Government is continuing the policy announced at its May 1988 Economic Statement which initiated a number of broad-ranging changes in industry assistance and regulation. Those changes, and the continuing programme of microeconomic reforms, designed to reduce domestic production costs, improve the efficiency of resource allocation within the domestic economy and reduce impediments to the expansion of trade.

In summary the May 1988 Economic Statement included substantial phased reductions in tariffs, reductions in assistance to the few highly assisted industries in the agricultural sector, changes to business taxation and a relaxation of regulations in telecommunications and of controls over government business enterprises.

In addition, changes in tariff rates were made in January 1988 in association with the adoption of the Harmonized System for classifying goods in trade.

B. Summary of changes in tariffs and tariff preferences 1/

An Anti-Dumping Authority (ADA) commenced operation on 1 September 1988. Its role is to advise the Minister on whether anti-dumping or countervailing duties should be imposed on specified imported products and to review and report to the Government on dumping matters.

1/ Copies of amendments to the Australian Customs Tariff Act 1987, which include information on changes made in Australian tariffs and tariff preferences between 1988 and 1989, were supplied to the secretariat and are available for consultation by interested delegations. The amendments are:

- Customs Tariff Amendment Act 1989 - No. 27.
- Customs Tariff Amendment Act 1989 - No. 67.
- Customs Tariff Amendment Act 1989 - No. 74.

Bounties for the injection moulding equipment, steel products, commercial motor vehicles, and grain harvesters and cultivating equipment terminated during the year while the first of a series of phased reductions was implemented for the printed textile fabric bounty.

A five-year plan for the steel industry, providing for payment of bounties and a safety-net mechanism, terminated as scheduled on 31 December 1988.

Restrictions on the import of second-hand ships were removed in December 1988 following the relaxation in December 1987. Import licensing controls on used, second-hand and disposals earth moving and excavating machinery and equipment and four wheel drive vehicles were removed with effect from 1 July 1989.

The local content scheme under which passenger motor vehicle producers are required to meet an 85 per cent local content requirement was modified during the year to reduce assistance provided to local component manufacturers. The penalties for local content shortfalls, which had previously involved duties which escalated over time, were replaced on 1 January 1989 with a non-escalating penalty duty equal to the tariff on PMV imports.

In May 1988 the Australian Government announced the extension until 30 June 1993 of the 150 per cent tax deduction applied to eligible research and development carried out in Australia, reducing to 125 per cent until 30 June 1995 and 100 per cent thereafter.

Significant changes to Australian Customs valuation legislation were implemented on 1 July 1989, involving inclusion of all foreign inland freight and insurance. The amendments are directed at practices that aim to represent what is actually a part of the valuation of goods as separate services.

The domestic pricing arrangements for sugar have been terminated, with the embargo on sugar import being replaced by a specific-rate tariff of $A 115 per tonne on both refined and raw sugar on 1 July 1989. This rate is to be phased to $A 70 per tonne by 1 July 1992. Measures to remove export controls have been implemented.

From 1 July 1989 the Australian Wheat Board (AWB) relinquished monopoly control of the domestic wheat market. The domestic market for wheat has been deregulated by removing AWB's compulsory acquisition powers, and the administered domestic pricing arrangements have been terminated.

In 1988 the Government announced that for the tobacco industry it supported a further and final stabilization plan terminating in October 1993, at which time the determination of national quotas and prices would cease. The local leaf content scheme will expire on 1 October 1995, thus ending the tariff concession on tobacco leaf. The general tariff rate on unmanufactured tobacco imported outside the concessional arrangements will be phased down over a three-year period to 1 July 1992 from 25 per cent to 15 per cent and further reviewed before the termination in 1995 of the local content scheme.

Tariffs on wine are subject to phased reductions over a five-year period which commenced on 1 July 1988. Except for champagne, which is to be phased down from just under 15 per cent ad valorem equivalent to 10 per cent ad valorem, tariffs for the most important categories of wine are being phased down to 15 per cent ad valorem equivalent from approximate ad valorem equivalents ranging between 17 per cent and 32.5 per cent.

Statutory marketing arrangements applying to canned fruit, which had permitted domestic prices of canned fruit to be significantly higher than export prices were terminated at the end of 1988. Tariff-only assistance is now provided, at a rate of 10 per cent.

C. Actions regarding non-tariff measures

Quantitative restrictions, VERs, OMAs and safeguards

Australia does not impose quantitative import restrictions. There are no government-to-government Voluntary Export Restraints or Orderly Marketing Agreements applying to exports from overseas and Australia is not a signatory to the Multi-Fibre Arrangement.

Import licensing controls

Australia is a signatory to the GATT Code on Import Licensing. Except for import licensing on second-hand materials-handling equipment, which is to be removed on a date to be announced following discussions with Australian State authorities about safety regulation issues, Australia does not use import licensing to restrict imports.

Quarantine restrictions

As an island nation currently free of many diseases present in other countries, Australia imposes comprehensive quarantine controls.

Anti-dumping and countervailing policy

Australia does not consider anti-dumping and countervailing duty actions to be non-tariff measures for protectionist purposes in the same way as say quantitative restrictions and other non-tariff measures. They are a legitimate and accepted means of defending local industries, many of which are already competitive and structurally adjusted, from unfair trading practices (ref. GATT Article VII).

Defence-related goods

The controls over the export of defence-related goods were revised in June 1988. Under the revised arrangements, export controls will be restricted to goods of a military and/or lethal nature. Goods which are obsolete or devoid of real military significance will not be covered by the new controls.

Aviation

The two-airline policy, which ensures that the two major domestic carriers are the only operators of scheduled services on the main trunk routes, is to be terminated in October 1990. However, foreign entrants into

domestic air services will be required to meet foreign investment policy guidelines and a foreign airline operating services to Australia will be limited to an investment of up to 15 per cent of the equity in any one domestic operator.

D. Trade agreements/arrangements with other countries

SPARTECA and PACTRA

The trade relationship between Australia and New Zealand and the Forum Island Countries of the South Pacific is formalized in the South Pacific Regional Tade and Economic Co-operation Agreement (SPARTECA). The Agreement provides duty-free and unrestricted access to the Australian and New Zealand markets for most of the products exported by the Forum Island countries. Australia and New Zealand provide these concessions on a non-reciprocal basis. Whilst Papua New Guinea obtains trade concessions from New Zealand under SPARTECA, its trade and commercial relations with Australia are covered by the Agreement on Trade and Commercial Relations between Australia and Papua New Guinea (PACTRA).

Bilateral agreements

Currently, Australia has bilateral trade agreements with 35 countries and bilateral science and technology agreements with 8. Australia's bilateral agreements are transparent and GATT-consistent. A common feature of the agreements are that they are facilitative and are designed to encourage trade without recourse to discriminatory or trade-distorting devices. With the exception of the agreements with New Zealand, Forum Island countries, Papua New Guinea and Canada, Australia's bilateral agreements do not involve preferential treatment.

ANZCERTA

Australia's most comprehensive bilateral trade agreement is the Australia New Zealand Closer Economic Relations Trade Agreement (ANZCERTA) which is central to bilateral relations with New Zealand and has contributed to a significant increase in two-way trade since it entered into force on 1 January 1983.

The central objective of the Agreement, the establishment of a full free trade area through the removal of the remaining tariffs and quantitiative restrictions in trans-Tasman trade, is virtually completed.

The general programme of tariff elimination provided for in the Agreement will be completed on 1 July 1990.

E. Policies for trade liberalization

F. Policies for assessing domestic trade policies

Australia is one of the first three countries to be reviewed under the Trade Policy Review Mechanism for GATT. A report on the full range of Australia's trade policies and practices will be presented to a special GATT Council session in mid-December 1989.

STRUCTURAL ADJUSTMENT POLICIES IN SPECIFIC INDUSTRY SECTORS

Passenger motor vehicles (PMV)

The current PMV plan, initially provided for tariff quotas on PMV to be eliminated by 1 January 1992. The plan was modified in April 1988 as part of a scheduled mid-term review. The changes to the plan will significantly reduce assistance to the production of motor vehicles. Tariff quotas on passenger motor vehicles were abolished and the base tariff rate was reduced from 57.5 per cent to 45 per cent, to be further reduced by 2.5 per cent per year to 35 per cent in January 1992. Tariffs on assembled light commercial vehicles and assembled and unassembled four-wheel-drive vehicles, which are outside the plan, were also reduced from 35 per cent and 25 per cent respectively to 20 per cent, and are to be further phased to 15 per cent by 1992.

The local content scheme, under which vehicle producers are required to meet an 85 per cent local content requirement, was modified to reduce assistance provided to component producers.

Textile, clothing and footwear (TCF)

The post-1988 plan for the TCF industries, announced in November 1986, provided for the complete removal of tariff quota which were to be phased out by 1 March 1996 through annual reductions in out-of-quota duty rates. Protection was then to be limited to tariffs of either 60, 50, or 40 per cent.

Amendments to the post-1988 TCF arrangements were announced in May 1988. Under the modified TCF arrangements, the phased removal of quotas was brought forward to 1 July 1995. The end tariff rates for clothing and footwear were reduced from 60 and 50 per cent to 55 and 45 per cent respectively. In addition, reductions in bounty assistance for some yarns and the printing of fabrics were accelerated.

The new TCF plan involves a reduction in protection of some 30 per cent, and much higher for many activities. The new plan encompasses a safeguard mechanism administered by an independent authority which can make recommendations regarding operations of the plan.

Heavy engineering

The Heavy Engineering Adjustment and Development Programme which had operated since 1 July 1986, terminated on 30 June 1989. However, new arrangements, in the form of the Metal-Based Engineering Programme (MBEP) were announced in the 1989-1990 Budget.

The MBEP provides assistance to engineering firms for export market development and to encourage the adoption of new technologies. Funding of $A 15 m is to be provided over the life of the programme.

Steel

A five-year plan for the steel industry operated from 1 January 1984, terminated as scheduled on 31 December 1988.

Communications equipment

In July 1989, new industry development arrangements were introduced for certain products in the customer premises equipment sector of the telecommunications industry, replacing the previous local industry preference arrangements administered by the Australian Telecommunications Commission. Until 30 June 1993, suppliers of customer premises equipment will need to undertake activities in areas of research and development, exports and Australian production as a precursor to connecting first telephones and other specified equipment to the public telecommunications network. After that date, assistance is to be provided by means of a 15 per cent tariff.

B. AUSTRIA

[Original: ENGLISH]

Austria supports all efforts to oppose the growing protectionism in world trade and to promote a strengthened open trading system. In this context, the negotiations under way in the framework of the GATT Uruguay Round are considered to be of high importance.

In 1988 and 1989, Austria has taken, inter alia, the following measures:

In 1989, Austria passed a Law providing for substantial tariff reductions which will enter into force unilaterally (and for the time being limited to two years) on 1 January 1990 as a prior concession in the framework of the Uruguay Round. The tariffs reduced in that context are also taken as basis rates for the calculation of preferential rates of duty according to the Austrian GSP scheme and for the purposes of special measures for handicrafts. Consequently, they will bring about further improvements in preferential treatment. Trade affected by the new measure amounts to S 141.4 billions (calculated on the basis of the Import Statistics for 1988, i.e. 37.6 per cent of the total of Austrian imports in the industrial-commercial sector.

As far as tropical products are concerned, Austria has undertaken tariff reductions in the framework of the relevant Negotiating Group of the Uruguay Round, which became effective on 1 July 1989. This concerns reductions in MFN-rates, which are applied for the whole world in Austria, as well as reductions in preferential rates in the context of the Austrian GSP scheme. Trade affected by those reductions amounts to S 2,890,559,000 (calculated on the basis of the Import Statistics for 1988).

With effect from 1 January 1988, the Austrian Customs Tariff has been transposed into the Harmonized System Nomenclature. GATT list XXXII has been adapted accordingly. In transposing the rates of duty, Austria was guided by the principle of proceeding across the board in order to avoid increases in tariff rates. Thus, Austria complied strictly with the way of proceeding agreed within GATT. Individual wishes of trading partners have been taken into account in the framework of consultations.

The Austrian GSP scheme and the Special Measures for Handicrafts have also been transposed into the Harmonized System Nomenclature with effect from 1 January 1988.

With effect from 1 March 1989, Mozambique has been recognized as a least developed country in the framework of the Austrian GSP scheme.

With effect from 1 January 1988, Myanmar (formerly Burma) has been recognized as a least developed country in the framework of the Austrian GSP scheme.

With effect from 1 July 1989, Hungary has been included in the list of countries benefiting from the Austrian GSP scheme.

With effect from 1 September 1988, the application of preferential rates of duty under the Austrian GSP scheme has been suspended with regard to the following goods from the Republic of Korea:

8521 - Video recording or reproducing apparatus:

10 - Magnetic tape-type:

A - Weighing each 40 kg or less

8521 - Television receivers (including video monitors and video projectors), whether or not combined, in the same housing, with radio-broadcast receivers or sound or video recording or reproducing apparatus:

10 - Colour:

A - Video recording or reproducing apparatus, combined in the same housing with a video tuner:

1 - Weighing each 40 kg or less

B - Other:

1 - with a screen diameter of less than 20 inches (= 50.80 cm).

Also with effect from 1 September 1988, motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading No. 8702), including station wagons and racing cars (No. 8703), were included in the list of products (from all beneficiary sources) not eligible for preferential treatment, contained in annex B to the Customs Preference Law.

The entry into force of the result of the negotiations under GATT Article XXVIII between Austria and Japan on 1 September 1988 led to an increase of bound tariffs regarding certain video recording or reproducing apparatus, but at the same time to considerable tariff reductions for other products of entertainment electronics which are of interest particularly to a number of developing countries.

C. CAMEROUN

[Original: FRANCAIS]

Le Gouvernement du Cameroun a informé le secrétariat que le Cameroun s'est engagé dans la voie de la libéralisation du commerce. Des textes réglementaires impliqués par les résultats du programme d'ajustement structurel commencent à voir le jour, notamment:

1. Mesures tarifaires

- Baisse de la taxe complémentaire sur les bières, vins, liqueurs, whisky, gin, vins de campagne, cigarettes, parfums, produits de beauté, voitures particulières de plus de 2 000 cm^3;

- Baisse de la valeur minimum imposable sur les tissus, étoffes, linges, rideaux;

- Baisse du minimum de perception: vêtements et sous-vêtements, chaussures en caoutchouc et en matière plastique;

- Baisse de la taxe unique sur les cigarettes, parfums, produits pour les soins de la peau.

2. Mesures non tarifaires

- Nouveau programme des échanges qui réaménage les procédures d'importation avec la suppression des licences d'importation pour les produits non réglementés;

- Libéralisation des prix avec suppression du système de fixation administrative des marges pour tous les produits non soumis à des homologations préalables ou à des restrictions quantitatives.

D'autres textes sont en cours d'élaboration et parmi ceux-ci la création d'une zone franche industrielle qui est une mesure de facilitation des échanges par excellence.

D. COSTA RICA

(Original: ESPAÑOL)

I. ANTECEDENTES

A finales de la década de los 70 e inicios de los años 80, la economía costarricense sufrió los embates de la crisis que alcanzó prácticamente a las economías de todos los países. Esta situación adquirió características especiales en vista de que, a la crisis general, en nuestro caso se le agregan las dificultades adicionales provenientes del colapso del Mercado Común Centroamericano durante ese período, y de la crisis política que desde entonces viene incidiendo cada vez más en el desarrollo de la región.

En efecto, durante este período, la producción cayó en casi una cuarta parte, la inflación llegó a superar el 90% anual. En 1982, el ingreso real per capita había descendido en un 20% de su nivel en 1979, el desempleo era de un 10%, la inflación llegó a casi al 90% y el servicio de la deuda externa subió vertiginosamente, incluso forzando al país, en un momento, a una suspensión temporal del pago a sus acreedores comerciales.

Para poder afrontar la situación económica que se deterioraba rápidamente, la administración del Presidente Monge, iniciada en mayo de 1982, definió un programa de estabilización y recuperación, cuyos objetivos principales fueron el control de las presiones inflacionarias, la restauración del equilibrio de la balanza de pagos, y el mejoramiento de las relaciones con los acreedores extranjeros. El programa, que contó con el apoyo del Fondo Monetario Internacional y del Banco Mundial durante los años 1983-1985, alcanzó exitosamente varios objetivos:

- Se revertió la caída del producto interno bruto;
- la tasa de inflación se redujo drásticamente;
- las finanzas del sector público fueron fortalecidas a través de ajustes en el gasto y en los ingresos;
- se estableció un régimen de tipo de cambio uniforme y flexible;
- la cuenta corriente en la balanza de pagos mejoró; y
- la deuda externa del sector público con acreedores bilaterales y comerciales fue reprogramada.

En lo que llevamos de esta década, Costa Rica ha recorrido el difícil camino que lleva hacia la recuperación de su economía y ha sentado, en buena medida, las bases necesarias para reiniciar un proceso sostenido de crecimiento, recuperando así la estabiidad que por mucho tiempo ha caracterizado a nuestro país, y la confianza que el sistema socioeconómico costarricense ha inspirado tanto al interior del país como en el extranjero. Los observadores y expertos en los procesos de recuperación económica y ajuste estructural han halagado reiteradamente el proceso de reactivación costarricense al señalar que apunta a ser uno de los más exitosos de América Latina.

Costa Rica se ha caracterizado siempre por una trayectoria de desarrollo equilibrado entre lo social y lo económico, lo que ha diferenciado su estilo de desarrollo y de Gobierno del de la mayoría de los otros países de similar condición. Esta es la razón principal por la que el país necesariamente debe buscar la forma de lograr esta reactivación y cambio estructural con el menor costo social posible. Sólo así dejará Costa Rica de ser, como lo pronostica el señor Presidente de la República, doctor Oscar Arias, uno de los países subdesarrollados del siglo XX, para convertirse en el primer país desarrollado de América Latina en los albores del siglo XXI.

Para alcanzar este nivel de desarrollo será necesario consolidar un nuevo proceso de crecimiento, capaz de sostener y fortalecer nuestro desarrollo económico y social, lo mismo que recuperar, mantener y eventualmente mejorar, los niveles de calidad de vida que a lo largo de toda la etapa de posguerra han alcanzado los distintos sectores de nuestra población.

II. REORIENTACION DE LA PRODUCCION HACIA LAS EXPORTACIONES

La actual estrategia de desarrollo y de transformación estructural de la economía costarricense busca modernizar el aparato productivo del país y reorientar su producción hacia las exportaciones fuera del área centroamericana, sentando así las bases de una estructura productiva, eficiente y dinámica, capaz de competir en los mercados internacionales.

El Gobierno ha puesto en marcha su programa de ajuste estructural (PAE) que contempla un conjunto de medidas "cuyo vértice es el sector como elemento de avanzada para canalizar e inducir el desarrollo de los sectores productivos en función de los mercados internacionales".

Para el logro de sus objetivos, el PAE descansa en cuatro mecanismos fundamentales:

a) el fomento de las exportaciones no tradicionales a terceros mercados;

b) la promoción de la sustitución eficiente de importaciones;

c) la promoción de la producción industrial eficiente par el mercado interno y regional; y

d) la racionalización del sector público para incrementar el ahorro del Gobierno central, mejorar la efectividad de los servicios que presta, y reducir el tamaño del sector paraestatal.

Es útil añadir que este proceso de transformación económica es compatible con la normativa del GATT, y además, la incorporación de Costa Rica al Acuerdo General servirá como un eficaz instrumento para estimular y encausar dicho proceso de ajuste.

III. PROGRAMA DE REFORMA

De seguido se presenta un resumen de las principales medidas de reforma que el Gobierno viene aplicando a los siguientes sectores claves de la economía.

1. Sector exportador costarricense

La promoción del nuevo sector exportador reviste un carácter estratégico y prioritario para el Gobierno y el país, ya que buena parte del logro de los objetivos de política económica y social de Costa Rica dependen del vigor con que se logre desarrollar la nueva producción exportable. Así, el éxito de las exportaciones no tradicionales está estrechamente vinculado con las posibilidades que tiene el país para lograr:

- Un crecimiento sostenido en su economía.

- La diversificación que necesita el aparato productivo.

- Una renovación tecnológica que modernice la base industrial y agrícola del país.

- Una mayor nivelación en la balanza de pagos, y

- La posibilidad de cumplir en un futuro con las obligaciones de nuestra deuda externa.

El Ministerio de Comercio Exterior, durante el período que concluye, ha concentrado sus esfuerzos en perfilar con claridad y dar un cabal seguimiento a las tres áreas de acción que considera prioritarias para su gestión, a saber:

a) Profundización de las medidas de política sectorial en lo que respecta a atracción de inversiones y fomento de exportaciones.

b) Fortalecimiento de la capacidad del país para conducir negociaciones bilaterales y multilaterales de comercio, y

c) Modernización de todo el sistema de comercio exterior, como marco institucional que permita una efectiva instrumentalización de las anteriores medidas de política.

Ya se observan los primeros resultados de este esfuerzo. Sobresale el aumento de las exportaciones de productos no tradicionales, que de 1985 a 1987 crecieron en un 31% gracias al trabajo conjunto de los sectores público y privado. Este rubro contribuye significativamente en la creación de nuevos empleos en el país, y aporta casi el 50% del total de nuestras exportaciones.

Dentro de las medidas de política que el Gobierno se ha avocado a revisar para fortalecer su régimen de comercio exterior, figura la racionalización del sistema de incentivos. Se procura que los beneficios se extiendan a los exportadores indirectos, de manera que las exportaciones arrastren en su dinámica al conjunto del aparato productivo nacional, promoviendo su integración y generando una mejor distribución de los beneficios obtenidos por el crecimiento de las exportaciones.

2. Sector agrícola

En el agro, los programas de reforma se han centrado, en primer término, en la creación de las condiciones para la reactivación y la transformación estructural del sector.

La actual política del Gobierno consiste, por una parte, en impulsar la producción de bienes tradicionales rentables para el consumo externo y para los cuales exista una sana demanda en el extranjero. Como complemento se promueve la diversificación a la producción agrícola hacia aquellos productos donde Costa Rica dispone de una ventaja comparativa y para los cuales existe una demanda creciente en los mercados internacionales.

Además, se ha adoptado un nuevo sistema de fijación de precios que toma en cuenta los niveles internacionales de eficiencia y productividad, con el fin de no mantener productores ineficientes a costa del conjunto de la sociedad. Para ello se seleccionan indicadores de precios internacionales que reflejan eficiencia en la producción y se fijan metas para establecer una relación entre los precios internos y estos precios de eficiencia.

3. Sector industrial

El sector industrial en Costa Rica ha sido, hasta muy recientemente, el producto del desarrollo del Mercado Común Centroamericano y de las políticas de sustitución de importaciones que prevalecieron en esta región -y en general en los países en vías de desarrollo- a lo largo de las décadas de los años 50, 60 y 70. Conforme se desprende de lo dicho sobre el sector exportador, durante estos últimos años se ha provocado un importante proceso tendiente a reorientar la producción hacia los mercados extrarregionales.

Los empresarios e industriales costarricenses han hecho una labor encomiable en la búsqueda de nuevos mercados para los productos que ya producían; pero más importante aún, con gran perspectiva hacia el futuro, han buscado el desarrollo o la creación de una nueva oferta exportable en el campo industrial, capaz de insertarse en las corrientes actuales del comercio internacional.

Es en el contexto de ajuste estructural que Costa Rica ha ejercido un marcado liderazgo respecto de los otros países centroamericanos. Ha propulsado las recientes reformas arancelarias, que buscan el fortalecimiento del vínculo de las distintas economías con la economía mundial. Para ello Costa Rica ha convencido a los demás gobiernos y sectores productivos en Centroamérica que es preciso reducir en forma gradual el nivel de la protección que se otorga a la producción dedicada al mercado interno y centroamericano. Esto, con el propósito de que los productores de toda la región tengan tanto la oportunidad como la obligación de desarrollar su capacidad productiva a los niveles de eficiencia y calidad predominantes en los mercados internacionales.

El Gobierno ha correspondido a la voluntad de los empresarios por procurar procesos de reconversión industrial y reorientación de su producción hacia nuevos mercados, creando las condiciones propicias en lo interno para la atracción de inversión extranjera y fomento de proyectos de producción exportable, así como para el fomento y defensa de las exportaciones, en lo que se refiere al plano externo.

4. Sector financiero

El país emprendió durante los últimos años un agresivo programa de modernización de su sector financiero, de forma tal que cumpla con eficacia y eficiencia los nuevos requerimientos de las actividades productivas, exportadoras y comerciales en general, que sustentan el desarrollo actual y

futuro de Costa Rica. En este sentido es de particular importancia el grado de apertura y flexibilización que ha sido posible lograr en un sistema de banca nacionalizada en el que hoy conviven y se complementan mutuamente los bancos del Estado con los nuevos bancos privados.

Lo anterior es de fundamental importancia para acelerar y profundizar los procesos de atracción de inversión extranjera, asociada con nuevos proyectos agrícolas, agroindustriales, industriales o de servicios de exportación.

5. Sector público

En Costa Rica -al igual que en muchos otros países- el Estado fue asumiendo a lo largo de los años una serie de funciones válidas de carácter social y económico. Estas funciones, en su conjunto y como proceso de acumulación, produjeron -en el momento de la contracción económica- un aparato estatal de un tamaño excesivo que bajo las nuevas condiciones imperantes resultaba insoportable para el país.

El proceso de racionalización del sector público se inicia a principios de esta década; pero no es sino hasta años recientes que se adquiere una posibilidad real de ejecutarse. En efecto, buscamos como país -los diversos grupos políticos, el Gobierno y el sector privado- avanzar por consenso y en armonía hacia el tipo de aparato estatal que se requiere: uno más ágil, eficiente y moderno, capaz de enfrentar los retos que la construcción de la Costa Rica del siglo XXI demanda. Estamos llevando a cabo ajustes sistemáticos en las instituciones públicas con el objeto de reducir al mínimo sus gastos corrientes, a la vez que se han logrado avances importantes en el mejoramiento de la legislación y de los sistemas de la recaudación fiscal.

Además el Gobierno ha impulsado otras transformaciones necesarias para el logro del nuevo modelo de desarrollo que Costa Rica está tratando de construir. En este sentido, la educación está retomando con nuevos bríos, con el renovado énfasis en la calidad y en la excelencia, y en la introducción de la población estudiantil en la era de la informática. Igualmente, se ha puesto particular atención en el campo de la ciencia y la tecnología, con el fin de apoyar proyectos de investigación y desarrollo experimental prioritarios para la reconversión industrial y la modernización agroindustrial del país.

6. Paz y desarrollo

El mundo ha reconocido que lo que sucede en Centroamérica afecta en forma muy directa lo que suceda en Costa Rica, por no ser este país una isla en términos económicos ni en términos geopolíticos, ni mucho menos en términos socioculturales. Una Costa Rica próspera y democrática no podrá continuar existiendo en el contexto de una Centroamérica empobrecida y destrozada por los conflictos internos y la guerra civil.

Sin paz en Centroamérica ninguno de nuestros países contará con los recursos humanos y financieros necesarios para la reconstrucción de la economía y el mercado de la región. Sin paz Costa Rica no tendrá la estabilidad y el clima de confianza que se requiere para la atracción de inversiones, la renovación y ampliación de la base productiva del país, y en términos generales, para el crecimiento económico y el bienestar social.

La recuperación de las economías y de los esquemas de comercio regional no son únicamente objeto de preocupaciones altruistas, conforme lo han reconocido en forma reiterada los principales organismos internacionales de comercio y desarrollo: el comercio internacional es, por su propia naturaleza, de doble vía.

IV. DISCIPLINA INTERNACIONAL Y CRECIENTE PROTECCIONISMO

El Gobierno de Costa Rica y el país en general han puesto de manifiesto en diversos foros el compromiso por expandir y diversificar sus relaciones comerciales a escala mundial, expresando una clara voluntad de adecuar paulatinamente las normas de nuestro comercio exterior a la disciplina internacional. El actual proceso de incorporación de Costa Rica al GATT es un claro ejemplo de ello.

No obstante sus esfuerzos en este sentido, Costa Rica ve con preocupación un nivel de inobservancia generalizada de los principios y la disciplina internacional en comercio exterior. Asismimo, le preocupa el trato que hacen algunos de sus principales socios comerciales para la imposición de medidas compensatorias. Este no guarda la relación prevista en los textos del Acuerdo General y los Códigos de Conducta del GATT.

Desafortunadamente, la inobservancia de esta normativa se da aun en el caso de las naciones más industrializadas, de quienes en función del desarrollo alcanzado y el crecimiento de sus economías se esperaría mayor solidaridad con los países en vías de desarrollo. Lamentablemente tal situación se viene agudizando en la presente década, caracterizada por nuevas corrientes de creciente proteccionismo.

Precisamente, son los países desarrollados los que siempre han insistido en una aplicación de mayor "disciplina" en materia de "subsidios y otros", posición que sostuvieron en la Ronda de Tokio, y que han reiterado en la actual Ronda Uruguay. Estas naciones más avanzadas, sin embargo, utilizan subsidios ampliamente en las áreas de su economía que consideran que lo ameritan en razón de su relativa debilidad económica, social o regional.

Los países en desarrollo, ante esta situación, defienden la necesidad de utilizar tales medidas para lograr objetivos de su desarrollo económico y social y sostienen que, dado su grado de desventaja en el camino hacia el desarrollo, requieren de una plena aplicación de la letra y de los principios del Acuerdo General y el Código de Subsidios respecto a las concesiones en virtud de la condición de país en vías de desarrollo.

V. APOYO DE LA COMUNIDAD INTERNACIONAL

En virtud del ya mencionado nuevo proteccionismo por parte de las naciones industrializadas, Costa Rica en su actual proceso de desarrollo y ajuste estructural (que incluye su adhesión al GATT), requiere el apoyo de la comunidad internacional de comercio. Ello con el fin de crear las condiciones externas, que complementadas por medidas de política nacional, permitan y fomenten el desarrollo de un sector productivo integrado hacia dentro y competitivo hacia fuera. Por lo tanto, solicita a sus principales socios comerciales, y en general a las naciones industrializadas:

a) Aceptar y respetar el proceso de desarrollo económico y social del país, tendiente a recuperar en forma armónica su equilibrio interno y externo;

b) No exigir sacrificios a Costa Rica en el diseño de su política económica o en el manejo de instrumentos específicos utilizados en su puesta en operación, cuando las condiciones que se le solicitan a nuestro país no guarden relación con lo niveles reales de cumplimiento que de esta disciplina internacional hacen las principales Partes Contratantes;

c) Por lo contrario, deberían allanar el camino del desarrollo socioeconómico y del cambio estructural que ha emprendido el país, aportando elementos de cooperación que faciliten a Costa Rica el logro de sus objetivos por el menor plazo posible. Dentro de éstos resalta la reducción y eventual desaparición de barreras no arancelarias que obstaculicen nuestras exportaciones.

VI. CASOS RECIENTES DE PROTECCIONISMO QUE ATENTAN COTRA EL DESARROLLO DE LAS EXPORTCIONES DE COSTA RICA

A. Derechos compensatorios contra las exportaciones de flores

La cadena de acciones iniciada en 1979 por la industria norteamericana de flores, culminó en mayo de 1989 cuando el Floral Trade Council de Bavis, California, solicitó la imposición de derechos compensatorios y antidumping contra Canadá, Chile, Colombia, Costa Rica, Ecuador, Brasil, Kenya, México, Holanda y Perú.

Como consecuencia de las investigaciones iniciadas por el Gobierno de los Estados Unidos, se impusieron derechos compensatorios sobre la importación de los productos costarricenses, aunque aquéllos luego fueron suspendidos al llegarse a un acuerdo entre ambos países, en el sentido de que el Gobierno de Costa Rica eliminaría los incentivos otorgados. Nótese que como se trata de productos no libres de impuestos, y por considerarse Costa Rica un país "fuera del Acuerdo", no es necesario que la industria norteamericana demuestre perjuicio alguno cuando bienes costarricenses subsidiados estén siendo introducidos en los Estados Unidos.

B. Derechos compensatorios contra las exportaciones de cemento

A mediados de 1984 el Gobierno de Estados Unidos inició las investigaciones pertinentes a fin de imponer medidas compensatorias contra las importaciones de cemento provenientes de Costa Rica.

En septiembre de ese mismo año, la ITA determinó preliminarmente la existencia de subsidios en favor de los exportadores de cemento y exigió un depósito equivalente al incentivo concedido contra el ingreso de los bienes costarricenses.

El 27 de noviembre de 1984, el Gobierno de los Estados Unidos suspendió las investigaciones como consecuencia del acuerdo logrado con la industria costarricense, a fin de que ésta renunciara a los incentivos.

A principios de 1987 se inició una revisión del acuerdo de suspensión por cuanto se adujo que la compañía suscriptora del acuerdo había dejado de ser la que proveía el 85% del cemento exportado a los Estados Unidos (sección 704 b) del Tariff Act y 355.31 c) de las Regulaciones del Departamento de Comercio).

C. Restricciones cuantitativas a las exportaciones de textiles

1. Costa Rica se inició en la práctica de restringir sus exportaciones textiles en el año 1980, con la firma del "Mecanismo de Consulta relativo al comercio internacional de algodón, lana y fibras sintéticas lo mismo que productos textiles", suscrito entre nuestro Gobierno y el de los Estados Unidos.

Como consecuencia de dicho acuerdo, Costa Rica debió limitar sus exportaciones de "brassiers de fibra sintética" (categoría 649).

En enero de 1984, dicho acuerdo fue renovado y tuvo una vigencia de cuatro años.

2. En enero de 1987, Costa Rica recibió un llamado a consultas por parte del Gobierno estadounidense para discutir lo relativo a nuestras exportaciones de camisas (categoría 640/340). El resultado de dichas consultas condujo a una restricción a estas exportaciones por un período de 18 meses (de junio 1987 a diciembre 1988).

Las restricciones de camisas fueron discutidas nuevamente en febrero de 1989, debiendo nuestro país continuar limitando dichas exportaciones hasta mayo de 1992.

3. Costa Rica fue llamada a consulta con respecto a sus exportaciones de pantalones (categorías 347/348) dirigidas al mercado norteamericano, en junio de 1987.

Luego de tres rondas de negociaciones, se logró que en febrero de 1988 Estados Unidos retirara el llamado. Sin embargo, en julio de ese mismo año, el Gobierno norteamericano volvió a llamar a consultas, las cuales culminaron con una restricción cuantitativa que finaliza en mayo de 1992.

4. Con respecto a las exportaciones costarricenses de enaguas (categoría 342/642), el Gobierno estadounidense requirió la iniciación de consultas en mayo de 1988, como consecuencia de lo cual Costa Rica deberá limitar aquéllas hasta mayo de 1992.

5. Con escasos 12 meses de haberse iniciado la exportación de guantes, Costa Rica recibió el pasado 30 de noviembre, el respectivo llamado a consulta por parte de los Estados Unidos. Aunque el Gobierno de Costa Rica ha solicitado un retiro del mismo, todavía no se ha encontrado una solución al problema.

Cabe aclarar que mientras prevalezcan las actuales condiciones, cualquier industria de exportación costarricense puede verse afectada injustamente por la aplicación indiscriminada de barreras técnicas en el comercio internacional.

E. EUROPEAN ECONOMIC COMMUNITY

[Original: ENGLISH]

The Community has taken a number of important steps in 1988/1989 to liberalize and to remove obstacles to trade. The most important are:

- In order to have customs regulations uniformally applicable in the Community's trade relations with other countries the Community adopted at the beginning of 1988 the Combined Nomenclature (CN). This means that the Community is now applying the same nomenclature as its main trading partners. This step should simplify customs regulations and thereby facilitate trade.

- For many products the Community abolished or reduced customs duties as a result of bilateral agreements or even unilaterally. In 1988, 215 tariff quotas or ceilings were opened by the Community on the basis of commitments made in multilateral GATT negotiations, bilateral agreements or in order to secure the supply of certain products for the Community. Tariffs were also suspended on 1,200 products, mainly products of the chemical and electronics industries but also on a number of agricultural and fishery products.

The Community's GSP scheme for 1989, which improves preferential access for both industrial and agricultural products, was adopted by the Council on 19 December 1988. It consists of:

- Increased preferential amounts in the industrial sector as well as a continuation of the policy of greater differentiation in respect of fully competitive beneficiaries;

- In the agricultural sector there are a number of improved preferential margins as well as the inclusion of a new product. Also for the least developed countries three tropical products were added to the list on the basis of the Community's offer on tropical products made in the context of the mid-term review of the Uruguay Round of multilateral negotiations, at Montreal, end 1988;

- In the textiles sector the Community made a new and substantial increase in its overall offer which is distributed more equitably among beneficiaries. The policy of differentiation was continued with the exclusion of 76 categories from 5 competitive suppliers.

* * *

The Community has continued to pursue its sectorial restructuration, both in the industrial and agricultural spheres.

- In the agricultural sector the Community has continued with its reform of the CAP both as regards prices, markets policy and socio-structural policy.

- On the price front, measures adopted have entailed a standstill and for some products a significant reduction in agricultural support. In a number of sectors new stabilizers have been set up as well as

strengthening and adjusting existing ones with the aim of controlling agricultural production. Finally new features of socio-structural policy have been new instruments for the set-aside of farmland and the early retirement of older farmers.

- With regard to industry the Community has continued to make unprecedented efforts to restructure certain industries notably steel, shipbuilding, textiles, petrochemicals and fertilizers, the textiles, footwear and wood and wood products.

- Complementary to these sectorial actions the Community has adopted regulations in 1988 initiating Community programmes designed to assist regions affected by restructuring in the steel industry and shipbuilding industry. A number of programmes have been adopted under these regulations in the member States most affected.

- At the end of 1988 four regulations were adopted by the Community whose aim is the effective co-ordination of the Community's structural funds as well as simplifying and harmonizing procedures.

* * *

In the Uruguay Round the Community has played an active part in particular in achieving a positive result at the Uruguay Round Mid-Term Review which was begun in Montreal at ministerial level in December 1988 and was completed at the meeting of the Trade Negotiations Committee (TNC) held in Geneva from 5-8 April. The Community remains committed to the target date for the completion of the Uruguay Round as a whole, end 1990.

In the final phase of the negotiations the Community will continue to play a major role to ensure that

- these negotiations provide real market access openings that benefit all participants. It welcomes the first result on tropical products achieved at the mid-term review. The Community has already implemented its contribution in July 1989;

- a renewed and strengthened GATT system takes account of the changing world economy and trading system;

- non-traditional sectors, notably services and intellectual property are also taken into account.

In the Community view it is also important that in the time left for negotiations all participants continue to respect the standstill commitment. Likewise it hopes that its trading partners will quickly implement rollback commitments as the Community has already done.

The Community underlines once again the importance for these negotiations and for the implementation of any specific results of a parallel improvement

in the functioning of the international monetary and financial systems and in stronger adjustment efforts towards open and competitive developing economies.

Further information concerning the above-mentioned issues notably structural adjustment and the removal of trade barriers can be found in

- the General Report on the Activities of the European Communities;

- the Annual Economic Report and Review.

The Community is ready to co-operate with UNCTAD on all points of relevance to the Board's work and will be pleased to supplement orally or in writing any information available.

F. JORDAN

[Original: ARABIC]

In addition to the information reproduced below, the Government of Jordan provided the secretariat with a copy 2/ in the Arabic language of the Annual Report on the set of decisions and measures concerning protectionism and structural adjustment for the period January 1988 to June 1989.

THE PRINCIPAL MONETARY POLICY MEASURES IN 1988 AND 1989

I. The dinar exchange rate

1. Since February 1975, the Jordanian dinar exchange rate had been linked to a basket of special drawing rights (at 2.579 SDRs per dinar) and had been allowed to fluctuate with a margin of ± 2.5 per cent. This exchange rate policy was pursued until 1986.

2. As a result of developments in Jordan's external economic relations, the dinar has been linked since the beginning of 1986 to a basket of currencies comprising the same SDR components, but weighted in such a way as to reflect the volume of Jordan's foreign trade with other States.

3. In view of the pressures to which the Jordanian dinar was subjected in the local exchange market, in mid-October 1988, the Central Bank decided to float the dinar exchange rate in a controlled manner by announcing the exchange rate on a daily basis.

4. Following the closure of the currency exchange companies on 8 February 1989, the Central Bank fixed the dinar's exchange rate against the United States dollar at a dollar purchase price of 538 fils for the general public and foreign banks and institutions and a selling price of 540 fils for transactions among local banks and financial institutions and 542 fils for the general public.

5. At the end of May 1989, the Central Bank once again linked the dinar to a basket of the principal foreign currencies forming the basis for the valuation of a unit of SDRs, each of those currencies being weighted in accordance with its importance in Jordan's economic relations with the outside world. Accordingly, the Central Bank calculates the dinar exchange rate against those foreign currencies on a daily basis, applying appropriate margins to avoid acute fluctuations in foreign exchange markets.

6. On 14 June 1989, the banks and financial institutions were obliged to conduct their business at the rate specified in the foreign exchange bulletin issued by the Central Bank. They can charge a currency differential commission not exceeding one half per cent on transactions involving the sale of foreign exchange to customers, although they are not permitted to charge a similar commission on the purchase of foreign exchange, on conversion operations covered by foreign currency accounts or on transactions effected between banks and financial institutions.

2/ Available in the secretariat for consultation by interested delegations.

7. With effect from 1 July 1989, the Central Bank has been selling a fixed amount of foreign exchange to the banks and financial institutions from time to time, provided that the latter make an equivalent amount available, in order to meet the needs of their customers with regard to unforeseen payments, including the expenses of students studying abroad, the expenses of foreign teaching staff employed by Jordanian universities on contracts in foreign currencies, the costs of medical treatment abroad, the expenses of pilgrims, the costs of subscriptions to scientific bulletins and publications and the expenses of expatriate workers.

8. With effect from 8 July 1989, the Central Bank has been selling a fixed amount of foreign exchange to the banks and financial institutions from time to time, provided that they make an equivalent amount available, in order to cover commercial payments for materials and commodities, including foodstuffs such as tea and coffee, tinned meats, frozen fish, etc.; pharmaceutical products for which no local substitutes are available; the agricultural sector's requirements for seed, fertilizers, fodder and pesticides; the industrial sector's requirements for raw materials and spare parts; the paper needed to print school-books and local newspapers; vehicle spare parts; and cotton fibres for use in the manufacture of school uniforms.

9. At the beginning of August 1989, the Central Bank began to intervene in the foreign exchange market with a view to influencing the rate applied in the parallel market. This intervention takes the form of successive measures to reduce the differential between the official rate and the rate applied in the parallel market.

II. Foreign exchange control regulations

10. The Central Bank has increased the amount that citizens are permitted to hold in foreign exchange in banks and financial institutions operating in the Kingdom from the equivalent of 30,000 dinars to 50,000 dinars.

11. The Central Bank has exempted agricultural exports from the requirement that exports should be revalued in foreign currency.

12. Any person was permitted to retain with any bank or financial institution an amount equivalent to 50 per cent of the export credits received in his favour, of bills for collection and of the value of incoming transfers in foreign currencies in respect of export transactions in order to cover his foreign exchange requirements for the import of the raw materials needed for his export business. A subsequent amendment in 1989 reduced this proportion to 30 per cent.

13. With regard to the foreign currency accounts of residents, on 27 August 1989 the regulation was abolished under which foreign banknotes could be held in the form of term deposits for a period of not less than six months, with the proviso that they could not be withdrawn before the date of maturity except by being converted into Jordanian dinars.

14. With regard to withdrawals from the foreign currency accounts of residents, on 31 August 1989 withdrawals and transfers from accounts replenished by foreign banknotes became subject to currency permits to cover commercial and unforeseen payments. However, withdrawals and transfers from accounts replenished by freely convertible foreign currency transfers or cheques received from abroad (not drawn on an account with a licensed bank or financial institution or at their request) are not subject to any restrictions.

G. NEW ZEALAND

[Original: ENGLISH]

PART I

A. In January 1987 a "Tariff Working Party" was established to carry out a comprehensive long-term review of New Zealand's tariff régime.

On 17 December 1987 the Minister of Trade and Industry announced details of a long-term tariff reform programme stemming from the recommendations in the Working Party report.

The programme provides for a five-step four-year phase-down of all tariffs on goods not subject to government-approved "industry plans" or "quasi-industry plans". Two steps have so far occurred. Almost all of the industry plans incorporate individual phase-down programmes. Several industry plans have been reviewed or terminated resulting in a similar régime to the non-plan environment.

Further details of these reforms are described in C, below.

B.1. The impetus of economic policy has been in the nature of liberalization and deregulation. Two broad lines of attack are evident. Fiscal, monetary and exchange rate policies have aimed to reduce inflation closer to the rates achieved by New Zealand's major trading partners. A second broad-ranging set of reforms has been targeted towards the achievement of a higher level of efficiency in resource use. This has encompassed moves to a lower and more even industry assistance structure, taxation and regulatory reform, and substantial liberalization of factor and goods markets. Major adjustment pressures on the agricultural and manufacturing sectors build up as a result of the reduction in assistance levels over the past five years. Economic policy changes targeted at a sustainable reduction in inflation led to high interest rates and an appreciating real exchange rate. These pressures have moderated as inflation has reduced. New Zealand's foreign debt has stabilized and a balance-of-payments surplus has been achieved.

Against this backdrop of economic reform, the policy process has undergone major changes in terms of both aims and instruments available to effect change. The traditional focus on industry-specific assistance policies has been replaced by an economy-wide perspective.

The objective of achieving a greater national return from the country's resources, on both the domestic and international front, has, over the last five years, led to the development of a policy framework embodying a number of mutually reinforcing principles. These principles are:

Consistency

A consistent line promotes confidence and helps people and organizations to make more informed investment decisions.

Credibility

The more credible the policies the more rapidly adjustment will occur. Expectations are important. If there is a belief that policy will be reversed or that it cannot be carried through, adjustment will slow.

Neutrality

Economic policy should be concerned to promote better economic performance across the entire economy. Assistance to one sector is a burden on the others. The more even-handed the approach the better overall economic performance is likely to be.

2. For domestic agriculture, the reform of industry regulation has resulted in complete deregulation of the wheat industry and partial deregulation of the town milk industry.

New Zealand wheat producers are facing international market prices as millers are now able to purchase wheat direct from any source. The egg industry is totally deregulated and subject to the same business controls as other industry.

Town milk is now deregulated except for home delivery service which is totally protected by licensing. It should be noted that home milk delivery service competes directly with milk sold in stores and supermarkets which has been overtaking the demand for home delivery.

C. The Government has instituted a comprehensive programme of tariff reform. Under this new policy, tariffs are being reduced in five stages over a four-year period which began on 1 July 1988. The "Swiss Formula" method selected will roughly halve tariffs on most industrial products, and reduce the highest rates more rapidly than the lowest thereby achieving a more uniform tariff structure. By 1992 current ad valorem tariffs of 20 per cent, 30 per cent and 40 per cent will be reduced to 12.5 per cent, 16 per cent and 18.5 per cent respectively.

Over the last 18 months, the Government has made decisions setting the protective régime for the period until 1992 for most of the remaining assisted industries. Industries covered by industry plans, which have been exceptions to the standard programme, are now also facing tariff and licensing programmes aiming to remove licensing and to lower tariffs by 1992, on similar principles to those applied outside industry plans. All industry plans will now end by 1992 except foootwear (to be reviewed in 1990) and carpet (ending in 1993), with the elements of the standard programme to be applied as each plan terminates.

New Zealand has operated a Generalized System of Preferences (GSP) since 1972. The GSP includes the following special features:

LDC (Less Developed Country) rates are set at 80 per cent of the Normal (MFN) tariff when Normal tariffs are reduced or new LDC rates are being created;

Preference-receiving countries are "graduated" from the scheme when their Gross National Product exceeds 70 per cent of the New Zealand level (as determined by World Bank figures);

Preference-receiving countries which have lost their status under country graduation will be reinstated if their per capita GNP subsequently falls below the bench-mark level in relation to New Zealand's GNP;

A limited system of "product graduation" took effect from 1 July 1989. Countries or territories lose their right to enter goods at LDC preferential rates when imports to New Zealand under a tariff item exceed, in a calendar year, twin bench-marks of 25 per cent of global imports and $NZ 100,000 value-for-duty;

LLDC (Least Developed Country) rates have been reduced to zero with the exception of those applied to a few sensitive goods subject to industry plans.

D.1. A system of import licensing was established in 1938, largely as a response to severe balance-of-payments problems. Although tariff levels were high, they were less relevant in that environment. There was only limited provision for imports competing with New Zealand products.

Import licensing has been steadily removed over recent years, to be replaced by the Tariff as the form of industry protection. By 1 July 1992, few goods will remain subject to import licensing. Adult footwear is the only product which has yet to be given an import licensing termination date (these are now being reviewed).

Separate import licensing (and tariff) arrangements apply to industry plan goods of Australian origin, pursuant to the Australia-New Zealand Closer Economic Relations Trade Agreement (ANZCERTA). All tariffs and import licensing restrictions on Australian goods will be removed on 1 July 1990, the date for removal of all New Zealand-Australia import controls under the ANZCERTA.

At present less than 5 per cent of total imports (by value) are subject to import control. This figure will reduce as the industry development plans reach their individual termination dates.

2. New Zealand initiated six anti-dumping investigations in 1988/1989. Of those six investigations, two cases were terminated; refined sugar from Papua New Guinea and canned cat food from Australia. An affirmative finding on dumping was found against refined sugar from the Netherlands, Belgium and Denmark. Affirmative final findings were also made against refined sugar from the Federal Republic of Germany, Malaysia and Thailand.

3. The Temporary Safeguard Authorities Act 1987 was enacted on 13 June 1987. The Authority undertakes inquiries into the importation of goods causing or likely to cause material injury to a New Zealand industry producing like goods. For the 1988/1989 period, there were four applications for temporary safeguard action. Of those four cases, three were declined. Only one case, for footwear, was referred to the Temporary Safeguard Authority.

4. The 1988 Milk Act removed milk for domestic consumption from price control. The only product remaining under price control under the Commerce Act 1986 is natural gas, at the wholesale and retail level but not at the wellhead.

E. The Australia-New Zealand Closer Economic Relations Trade Agreement (ANZCERTA) came into force on 1 January 1983, and covers all goods traded between Australia and New Zealand. It provides for the gradual timetabled removal of barriers to free trade between the two member States. The Services

Protocol to the Agreement signed on 18 August 1988 comes into force on 1 January 1989, and the Protocol on Harmonization of Quarantine Administrative Procedures to the Agreement was signed and came into force on 18 August 1988.

Nature of Agreement

A review of ANZCERTA held in 1988 brought forward the date for the elimination of all tariff and quantitative restrictions on goods. Full free trade in goods, originally programmed for 1995, is to be brought forward to 1 July 1990. To ensure that real free trade in goods is achieved on 1 July 1990 it was also agreed to remove export restrictions on goods traded between the two countries such as copper scrap, and New Zealand's import monopolies on apples, pears and bananas of Australian origin. Provisions for anti-dumping actions against goods of New Zealand and Australian origin will be removed on 1 July 1990. It was also agreed that from 1 July 1990 neither country will pay export incentives or like measures on trans-Tasman trade nor will they pay production bounties or like measures on goods that are exported to the other country.

New Zealand joined the National Preference Agreement on 1 June 1989. As a result, New Zealand companies have access to State government tenders on an equal basis with their Australian counterparts.

In the 1988 Review of the Agreement, the countries also agreed to harmonize their quarantine administration procedures under the Quarantine Protocol, and have signed Memoranda of Understanding on Technical Barriers to Trade, and the Harmonization of Business Law. They also exchanged letters on the Harmonization of Customs Procedures.

The Protocol on Trade in Services ensures that the existing free environment for most service sectors will be maintained and will provide for the liberalization of those sectors where free trade is not yet a reality.

The agreement covers all services, although the application of certain provisions is restricted for a limited number of sectors. Those aspects of New Zealand's international aviation, telecommunications, shipping and postal services which remain subject to regulation or government monopoly are exempted from some of the provisions of the agreement. Australia has exempted specified areas of banking, airport services, domestic as well as international aviation, telecommunications, coastal shipping, broadcasting and television, construction, engineering and general consultancy, third party and workers' compensation, health insurance and postal services.

The first review of trans-Tasman trade in services is scheduled for 1990, when the list of exceptions will be examined and if possible reduced. The overall economic relationship will be fully reviewed again in 1992.

F. Tariff liberalization in New Zealand continues, as outlined above in Section C.

The phasing-out of import licensing is outlined in Section D.

The acceleration of ANZCERTA is outlined in Section E.

New Zealand is an active participant in the negotiating groups on tariffs and non-tariff measures established in the Uruguay Round. Participants have agreed that tariffs should be reduced by an average of one third from a 1986 balance.

New Zealand has reduced tariffs on a number of tropical products. This includes a range of items within the broad harmonized system headings for tropical products including cut flowers, tropical fruits and starches, coffee, tea, spices, rice, oil seeds, tobacco, rubber, tropical timber and jute.

PART II

Implementation of structural adjustment policies

Structural adjustment, understood as the adjustment of established industries to accommodate competitive changes in international trade and production patterns, has been an integral part of New Zealand's commercial policy since the late 1970s. Particular emphasis has been laid on the role a liberal trade régime can play in the successful achievement of structural adjustment.

Planned and progressive adjustment has been a feature of industry plan import liberalization and restructuring. The individual industry plans are mentioned in the general liberalization measures described in Part I; they are subject to their own separate timetables, which in most cases contain dates by which import licensing will be removed. Where review mechanisms are incorporated in the plans, however, these are undertaken with a view to ensuring broad compatibility with the general programme of protection reform.

The New Zealand Government remains committed to structural adjustment and to the need for efficient domestic industries attuned to international competition. The essential factors underlying New Zealand's policies are that:

(a) the reform of border protection is unilateral and does not depend for its success on the action of others;

(b) the changes apply to all sectors, including high investment/employment industries such as apparel and motor vehicle production;

(c) the mechanisms in place, both for tariff and licensing phase-down, are transparent;

(d) quantitative restrictions by 1992 will only remain in isolated areas of the economy;

(e) reform of the New Zealand economy is not confined to reductions in protection and industry rationalization. These changes are being implemented within a broader framework of policy designed to reduce interventionism in all areas and to allow market signals to guide the economic decision-making process.

H. MOZAMBIQUE

[Original: ENGLISH]

MEASURES OF ECONOMIC POLICY WITH AN IMPACT ON INTERNATIONAL TRADE

1. Measures aimed at the solution of balance-of-payments problems

The Government recognizes that the management of the exchange rate is one of the key policies in restoring adequate economic incentives and strengthening the external accounts.

Policies are aimed at attaining an exchange rate that will allow a further reduction of administrative allocation in exchange and trade system, and permit greater reliance on appropriate macro-economic policies rather than administrative controls.

The policy of flexible exchange rate management is designed to effect a further, but gradual, depreciation of the rate in order to achieve a level consistent with Mozambique's Economic Rehabilitation Programme for 1987-1990. The objectives of the programme are, essentially:

- to reverse the decline in production and ensure a minimum level of consumption and income for the whole population;

- to reduce substantially the domestic financial imbalances and strengthen the external accounts and reserves;

- to enhance efficiency and establish the conditions for a return to higher levels of economic growth, once the security situation and other exogenous constraints have eased;

- to restore orderly financial relationships with trading partners and creditors.

The exchange rate adjustment is reviewed periodically in the light of actual price developments in Mozambique and abroad to ensure that the required real depreciation is being achieved.

The substantial realignment of the exchange rate during 1987 and 1988 provides now a scope for a more open trade régime. The Government, therefore, is introducing a mechanism for the non-administrative allocation of the foreign exchange, with the aim of providing key productive inputs in accord with the priorities of the programme. All productive enterprises will be eligible for the system and will be able to import any products that are inputs for the productive process.

The demand for foreign exchange will be mainly influenced through managing the effective price of the products using the exchange rate, the tariff level and possible surcharges with quantitative restrictions being eliminated.

The realignment of the currency and the progressive opening of foreign exchange allocation will now permit the price of foreign exchange to play a more important role, as well as the appropriate tariff structure.

The determination of new tariffs takes into account economic consideration, including tax revenues needs, industrial priorities and protection to promote efficient sectors and the impact of the consumption incentives.

A foreign-exchange retention scheme for exporters now applies not only to traditional exporters, but also to all non-traditional exporters, with a view to promoting exports. The incorporation of a greater number of enterprises in the scheme has been achieved without increasing the amount of foreign exchange allocated to the scheme but by reducing the average retention rate in certain products and reducing the range of retention rates.

Also, tariff exemptions for products and importers are being eliminated wherever this is desirable and possible.

2. Measures related to the indebtedness of Mozambique

In the light of Mozambique's external debt situation, after having reached an agreement with the Paris and London Club creditors and other creditors, the Government intends to limit strictly the contracting of new loans on non-concessional terms and to try to reduce the debt burden.

The Government is seeking further comprehensive debt relief from all official creditors, through modalities such as conversion of credits into grants and the introduction of concessional interest rates on non-concessional loans, among others.

The Government is exploring possible schemes to reduce the debt burden, in order to reduce the balance-of-payments deficit in the medium term, such as, conversion of debt into equity and buy-back operations.

I. NIGERIA

[Original: ENGLISH]

The ensuing paragraphs dealing with the subject are based on consultations with the relevant authorities in Government and parastatals, such as Federal Ministries of Finance; Employment, Labour and Productivity; Office of Planning and Budget in the Office of the President; Cabinet Office, External Affairs; Agriculture, Water Resources and Rural Development; Department of Customs and Excise; Central Bank of Nigeria and the Nigerian Export Promotion Council.

1. Developments in international trade relating to trade régime, laws, regulations and procedures

A comprehensive knowledge of developments in international trade in Nigeria is obtainable by tracing the economic history of the country before the adoption of the Structural Adjustment Programme (SAP) in July 1986. Before the advent of SAP, there were many restrictive trade measures, such as import and export licence, import prohibition orders and tariff barriers, that hindered the liberalization of international trade in the country. These control measures were not only largely unsuccessful in their immediate objective but led to a drastic short supply of industrial inputs, plant closures, large-scale retrenchment of workers, shortage of goods and price inflation. The cumulative effect of these economic crises aggravated the debt problem and associated monetary problems to the extent that the Nigerian Government introduced the Structural Adjustment Programme (SAP) which subsequently led to the introduction of the Second-tier Foreign Exchange Market (SFEM), now Foreign Exchange Market (FEM).

The introduction of SFEM has rendered administrative control on trade unnecessary. Its introduction saw the abolition of import licences and their adverse effect on trade. Their abolition has brought about trade liberalization. The introduction of SFEM has greatly encouraged exports and drastically discouraged imports, thereby making it impossible for the developed countries to use Nigeria as a dumping ground for inferior goods.

2. Measures of economic policy which have an impact on balance of payments and indebtedness

As already mentioned, the SAP with its comprehensive package of economic reforms was introduced in July 1986 by the Federal Government to correct the observed distortions in the performance of the Nigerian economy. The programme was aimed at altering and realigning the aggregate domestic expenditure and production patterns with a view to minimizing the dependence on imports, enhancing the country's non-oil export base and bringing the economy back on the path of steady and balanced growth. Some of these measures in the comprehensive package, aimed at the external sector, particularly at easing Nigeria's balance of payments and debt problems, include:

(a) The adoption of a realistic exchange-rate policy to correct the serious over-valuation of the naira. The strategy for achieving this policy objective includes the setting up of a viable market-oriented foreign-exchange market through which available foreign exchange is rationed among competing needs.

(b) Improved trade and payment liberalization. In achieving this objective, the hitherto existing administrative controls which distorted resource allocation in the area of trade and encouraged the leakage of foreign exchange through smuggling, black marketeering in the naira, etc., were eliminated. One such control was the import/export licence régime now abolished.

(c) Promotion of non-oil exports to reduce dependence on the oil sector as the main foreign-exchange earner. This objective was to be achieved through the introduction of export incentives and institutional reforms to complement other measures aimed at correcting the cost-price distortions in foreign-exchange utilization.

(d) Further rationalization and restructuring of the tariffs in order to aid the promotion of industrial diversification.

(e) Reforms of Government parastatals spreading over agriculture, mining, manufacturing, transport, commerce and other service activities in order to reduce the heavy government subsidy hitherto used to support the parastatals.

(f) Rescheduling of Nigeria's outstanding external debts to allow for a spreading of repayments over a longer period of time.

Many incentives in agriculture were provided by the Federal Government to boost agricultural productivity necessary for local consumption and for production of exports commodities, in particular manufactures. These incentives include:

(a) The granting of loans with low interest rate through the Commercial and Nigerian Agricultural Banks;

(b) Providing fertilizer, insecticides and agricultural machinery at low prices;

(c) Building of storage facilities for commodities, in particular for grains, at strategic locations in the country;

(d) Giving tax relief to companies that undertake commercial farming;

(e) Providing irrigation facilities to the arid and semi-arid areas of the country;

(f) The comprehensive Graduate Agricultural Scheme which provides necessary assistance to school-leavers who wish to engage in farming; and

(g) Fixing attractive minimum producer prices for primary commodities.

3. Summary of changes in tariff and tariff preferences

Before 1984, tariff measures were the major instruments used to control the movement of commodities in and out of Nigeria. The Customs and Excise Management Order of 1959 underwent a series of minor periodic amendments as the need to control imports or experts or consumption of certain commodities arose. The tariffs - import duty, export duty and excise duty - are usually high

to achieve the intended effect. The high tariffs are indicated by the Decrees Nos. 24 and 25 of May 1984 which is known as the Customs and Excise Tariff Decree of 1984. It contains, inter alia, the following information:

(a) Imports prohibition list;

(b) Exports prohibition list;

(c) Excise duty list;

(d) Import duty list.

The Customs and Excise tariffs were reviewed downwards in the wake of SFEM. The idea was to provide real, effective protection for local industries and to reduce domestic cost of certain items of imports in the light of the impact of the policy measures. After the initial exercise, a detailed study/review was started in May 1987. The earlier exercise had adjusted the rate of Customs and Excise and reduced the number of prohibited goods from 72 to 16. Another exercise was carried out with assistance from competent foreign and local consultants and was aimed at rationalizing, harmonizing and restructuring the tariff system in order to promote industrial diversification. The legal authorities for the relatively reduced tariff policy are as follows:

(a) Customs and Excise Tariff Decree No. 32 of 1986;

(b) Decree No. 1 of 1987;

(c) Decree No. 11 of 1987;

(d) Decree No. 1 of 1988.

4. Products affected by the drastic tariff reduction as a result of the introduction of the SAP and SFEM/FEM

These are listed below with their new customs duties:

(a) Tyres (TN. 40.11)

(i)	Commercial vehicles	10%
(ii)	Motor car tyres	5%
(iii)	Tyres for tractors and agricultural equipment	5%

(b) Iron/Steel Sheets (TN. 73.13)

(i)	Corrigated sheets	15%
(ii)	Galvanized and other sheets	10%

(c) Wire and Cable (TN. 74.03)

(i) Wrought bars, rods, angles, shapes and sections of copper and copper wire from 5% 10%

(ii) Wrought bars, rods, angles, shapes and sections of aluminium and aluminium from 15% 10%

(d) Primary cells and batteries from 30% 25%

(e) Spare parts and accessories for motor vehicles from 30% 20%

(f) Commercial vehicles from 30% 20%

(g) Buses from 30% 10%

(h) C K D Components

(i) C K D Lagos from 20% 10%

(ii) C K D Ibadan, Enugu from 15% 7.5%

(i) Newsprint from 50% 45%

(j) Kraft paper from 45% 40%

(k) Outboard engines and boats from 15% 10%

Import duties on car CKD components, which range between 10% and 185% have been harmonized to attract a uniform duty of 25%.

The idea of reducing duties on the above-listed products is to open the Nigerian market to as many products as possible from other countries.

5. Specific actions and policies for liberalization, diversification and expansion of trade

The specific measures introduced under the SAP for achieving the objectives of trade liberalization, diversification and expansion include:

(a) The introduction of the Foreign Exchange Market for allocating available foreign exchange among competing needs;

(b) The abolition of the import licence scheme in order to guarantee access to the Foreign Exchange Market;

(c) The introduction of a comprehensive Export Incentive Scheme to promote exports;

(d) A comprehensive review of the tariff structure to promote industrial diversification;

(e) The abolition of export licence to facilitate export transactions in Nigeria;

(f) The abolition of the Commodity Boards system to enable the organized private sector to be fully involved in the exportation of Nigeria's produce.

6. Policy measures initiated by the Government to revamp the ailing economy

Prior to the introduction of SAP, the Nigerian economy was in a very bad state occasioned by heavy debt burden, debt servicing and the decline of commodity prices in the world market.

The main policy measures introduced by the Government to reactivate the ailing economy are:

(a) Establishment of the Foreign Exchange Market (FEM)

The central element in SAP was the establishment of the Foreign Exchange Market - at first called the Second-tier Foreign Exchange Market (SFEM). SFEM came into operation on 29 September 1986 and, at the convergence of the first-tier and second-tier exchange rates which took place on 2 July 1987, it became known as the Foreign Exchange Market (FEM).

The objective of SFEM is to correct the obvious over-valuation of the naira and to provide, over time, a realistic exchange rate for the currency. It is designed to operate in the framework of a closed Auction System whereby authorized foreign-exchange dealers would submit bids to the Central Bank of Nigeria at a specified period. The Dutch Auction System was later introduced in place of the simple auction system so as to check reckless bidding by some banks. It is pertinent to stress that an over-valued naira implied a subsidy provided by the Government. Imported goods were consequently cheap and people preferred to buy them in place of locally-made ones. The introduction of SFEM, later FEM, encouraged many industrialists to look inward for raw materials instead of importing all their needs.

(b) Tariff review

The Customs and Excise tariffs were reviewed in the wake of SFEM. The idea is to liberalize trade in the light of the Government policy measures. After the initial exercise, a detailed study/review was started in May 1987. The earlier exercise had adjusted the rates of Customs and Excise tariffs and reduced the number of prohibited goods from 72 to 16. Another exercise was carried out with assistance from competent foreign and local consultants and was aimed at rationalizing and restructuring the tariff system in order to promote industrial diversification.

(c) Abolition of import and export licensing

The abolition of import and export licensing is one of the measures of the present administration. Under the old system, it was necessary for a manufacturer to obtain an import licence in order to bring in requisite raw materials, machinery and spare parts. As earlier stated, the import licensing was abolished in order to ensure free trade. Under the new dispensation, importers can bring in goods whenever they wish and in whatever quantity, subject only to the amount of foreign exchange they have in hand.

The abolition of import and export licensing requirements, therefore, enables viable industries to obtain their raw materials by purchasing the required foreign exchange through FEM and facilitates the exportation of manufactured goods.

(d) Abolition of the system of price control

Under SAP, the system of ex-factory price control was abolished. Under the old system, middlemen or distributors were making higher profits than manufacturers. The result was that funds that could have been available to manufacturers for reinvestment or expansion were left in the idle hands of distributors. With the abolition of the price control system, manufacturers are now free to adjust their prices in accordance with prevailing market conditions, making necessary profits and possibly expanding their business with their legitimate profits.

(e) Abolition of Commodity Boards

The abolition of Commodity Boards has proved to be a huge success in terms of the response of farmers in increasing their output and the farmers now receive adequate prices for their products. Hitherto, Commodity Boards purchased the produce from the farmers at a government-approved price. With the abolition of the Boards and the positive effect of the new naira exchange rate on the price of these export items, production is picking up at a very fast pace. Such commodities as cocoa, groundnuts, cashew nuts, ginger, etc., are securing much higher incomes to the farmers, and a higher income is an incentive to greater productivity.

(f) Export promotion measures

In order to encourage export trade, the Government provides a package of incentives to exporters. The export promotion incentive measures contained in SAP include 100 per cent export proceeds retention, the abolition of export duty and export licence, the Duty-Drawback/Incentive Scheme, the streamlining and simplification of export documentation processes and other export promotion measures.

(g) Encouragement of new foreign investments

A number of administrative regulations in the area of foreign investments were reviewed, streamlined and simplified so as to make the process of seeking to invest in the country less cumbersome. In this connection, the requirements for locational approval were abolished and an Industrial Development Co-ordinating Committee was constituted to handle applications for new investment in the country.

(h) Interest rate regulations

In the course of the implementation of SAP, the regulations of interest rate were removed, allowing interest rate to be determined by the forces of demand and supply. The discount rate was also raised and sectoral allocation requirements abolished.

(i) Reduction in fiscal expenditure

As part of the measures adopted in SAP, the public investment programme was reviewed and rationalized so as to make resources available to priority projects and those at the final stages of completion. The fiscal deficits were also reduced.

(j) Other measures

A number of other measures were taken to reinforce the programme. These include the establishment of the Directorate for Food, Road and Rural Infrastructure, and the National Economic Recovery Fund. A Monitoring Committee was also set up to undertake a regular monitoring of the implementation of the programme.

7. Assistance aimed at restoring the international competitiveness of individual sectors

(a) Agricultural sector:

- Subsidy on fertilizer;
- Reduction of import duty on farm machinery and raw materials for the manufacture of livestock feeds;
- Tax incentives for agricultural investors;
- Commercial banks to allocate at least 15 per cent and merchant banks to allocate 8 per cent of their total loan portfolio to agriculture;
- Giving appropriate moratorium to agricultural loan repayments;
- An industrial allowance of 10 per cent for all capital expenditure on agriculture;
- Acceptance of securities such as certificate of occupancy, survey plan, etc., for procurement of agricultural loans;
- Market forces allowed to determine the prices of all commodities;
- Provision of agricultural insurance scheme to protect both the foreign and local farmers.

(b) Trade sector:

- Extensive liberalization of trade;
- Review of tariff structure to facilitate the free flow of commodities in the international markets;
- Comprehensive export incentive package for exporters;
- Abolition of imports and exports licences;
- Abolition of Commodity Boards.

(c) Financial sector

The introduction of the Foreign Exchange Market has exposed the financial sector of the economy to international competition. In particular, the naira has been indirectly devalued.

8. Assessment of the outcome of structural adjustment policies

It is important to note that the SAP has improved the area of government finances very significantly. Although deficit-financing remains a problem, the size of the government budget deficit has been reduced. The target is to bring government budget deficit down to 3 per cent of the GDP during the programme period - down from 4.48 per cent in 1986. Also, the SAP has contributed immensely in encouraging the local producers to complement their imported raw materials with local raw materials.

As indicated above, much has been gained from the SAP but it is instructive to point out too some of the defects of the programme. The major defect is that the SAP has brought about runaway inflation. Finally, its introduction has led to an increase in unemployment. Notwithstanding these adverse effects of SAP, there is great hope that it will eventually lead Nigeria to full economic recovery.

J. OMAN

[Original: ARABIC]

The Government of Oman informed the secretariat that, with regard to protectionism, the free flow of trade is in no way restricted or obstructed in the Sultanate of Oman. Some imported goods are totally exempt from customs duties, while others are imposed at a low rate (5 per cent) on other imports. There is a small and constantly decreasing number of industrial products on which higher rates are levied in order to protect the local industries with which they are competing. There is no exchange control in Oman.

No complaints or comments have been received from Omani exporters concerning protectionist measures imposed by importing countries.

With regard to structural adjustment, the basic aim of the long-term developmental strategy is to diversify the sources of national income through the development of new sources to supplement and replace petroleum revenues in the future. The strategy also stresses the need to channel a higher proportion of investments into income-generating projects in the commodity sectors, and particularly into the activities of the manufacturing, mining, agricultural and fishing industries. The available statistics, which cover the period up to the end of 1986, show that the proportional contribution of petroleum and gas to the gross national product at current prices declined from 58.52 per cent in 1984 to 47.86 per cent at the end of the Second Five-Year Plan in 1985, and subsequently dropped to 35.66 per cent during the first year of the Third Five-Year Plan in 1986. There has been an increase in the proportional contribution to GDP by the non-petroleum production sectors in general and the manufacturing industries in particular. In fact, during the Third Five-Year Plan (1986-1990), the average annual growth rate in the petroleum and natural gas sector is expected to amount to only 6.3 per cent, as compared with a rate of 15.2 per cent in the case of the manufacturing industries. With regard to foreign trade, petroleum still occupies the principal position in so far as it accounts for more than 90 per cent of national export earnings. In recent years, however, there has been a considerable increase in other exports of Omani origin, particularly fish, live animals and agricultural and industrial products.

K. SUISSE

[Original: FRANCAIS]

Fidèle à sa tradition d'économie de marché et à ses engagements internationaux, la Suisse a continué, au cours des années 1988 et 1989, à pratiquer une politique commerciale libérale. En particulier, la Suisse a observé les lignes de conduite suivantes:

I. Commerce international

- Aucun droit antidumping, ni droit compensateur n'a été appliqué;

- En dehors des mesures couvertes par le Protocole d'accession de la Suisse au GATT, il n'y a eu recours à aucune subvention ou autres incitations, ni de mesures tarifaires telles que des restrictions quantitatives ou octroi restrictif de licences, mesures de sauvegarde ou autres (limitations volontaires des exportations, contrôle des échanges commerciaux à l'exception de ceux imposés par des engagements multilatéraux, contrôle des prix, etc.);

- Les modifications apportées aux droits de douane et aux préférences tarifaires et qui sont d'un intérêt particulier pour les pays en développement concernent les produits tropicaux (contribution suisse dans le cadre des Négociations d'Uruguay et mises en vigueur au 1er juillet 1989) et le sucre (exemption tarifaire pour les pays en développement à partir du 1er juillet 1989);

- Aucun accord/arrangement commercial avec un autre pays n'a été conclu;

- Il n'existe pas de mécanisme particulier destiné à évaluer les conséquences de la politique commerciale suisse sur les intérêts des pays en développement en matière d'exportation, tel qu'il est préconisé au paragraphe 105 (alinéa 4) de l'Acte final de la CNUCED VII; toutefois, la politique commerciale et particulièrement toute nouvelle mesure font l'objet d'une analyse détaillée au niveau de l'administration aussi bien lors des décisions prises aux niveaux exécutif et législatif, analyse qui inclut systématiquement l'impact sur les économies des pays en développement.

II. Ajustement structurel

- En principe, il n'y a pas d'assistance des pouvoirs publics à des secteurs de l'économie en perte de vitesse; la politique de non-intervention des pouvoirs publics dans la solution des problèmes de certains secteurs de l'économie en crise a résulté dans un renforcement de l'économie en général - en ce sens que celle-ci a pu développer une capacité propre d'ajustement permanent - et des secteurs concernés en particulier;

- Il n'y pas eu d'aide publique à l'ajustement telle que le retrait de main-d'oeuvre d'industries en crise (en dehors de quelques programmes mineurs et ponctuels de recyclage dans le cadre de l'assurance-chômage).

L. SWEDEN

[Original: ENGLISH]

The Government of Sweden provided the secretariat with the information below, covering measures taken during 1989, for the annual review on protectionism and structural adjustment.

With regard to measures on the Customs tariff side, the following changes have been introduced:

Tariff heading No.	Description of goods	Tariff changes
06.03.101	Cut flowers; Heliconia and Strelitzia	The Customs duty has been lifted as from 1 July 1989 (as a result of the negotiations in the Uruguay Round).
ex 08.08	Apples, pears, fresh	For these products differentiated tariff rates are applicable during the harvest season in Sweden, based on an ad valorem duty.
44.08.200	Veneer, tropical woods	The Customs duty has been lifted as from 1 July 1989 (as a result of the negotiations in the Uruguay Round).
46.01.109-901, 909 46.02.100, 909	Plaits and products of plaiting materials	The Customs duty has been lifted as from 1 July 1989 (as a result of the negotiations in the Uruguay Round).
56.07.210, 290, 300	Sisal and other textile fibres	The Customs duty has been lifted as from 1 July 1989 (as a result of the negotiations in the Uruguay Round).

On 1 July 1989 the remaining Customs duties were abolished towards Spain.

GSP

As to the generalized system of preferences, Sweden has further improved its scheme. The following amendments were introduced with effect from 1 May 1989.

ex 06.03	Cut flowers	Exemption from duty for carnations during the period 1 December - 29 February. Exemption from duty for roses during the period 1 February - 29 February.

As from 1 May 1989 Mozambique has been included in the list of the least developed countries. Those countries are accorded duty-free treatment in Sweden for all products.

Non-tariff measures

The quantitative restrictions on imports of textile and clothing are continuously being liberalized. As from 31 July 1991 all import restrictions within the textile sector will be abolished according to a decision by the Swedish Parliament.

The textile and clothing import from Portugal is accorded duty-free treatment as from 1 February 1989.

As from 15 November 1989 licences are no more needed for import of apples and pears.

Anti-dumping and countervailing duties

The measures taken by Sweden are listed below. In principle the text corresponds to Sweden's notification to GATT.

1988 - 30 September 1989

Country	Product	Initiation	Provisional measures	Final outcome	Outstanding orders
Poland	Hardboard	19 Jan. 1989	13 July 1989	-	
USSR	"	"	"	-	
Poland	PCV-pipes	13 July 1989	-	-	
Czechoslovakia	"	"	-	-	

Other measures

Regarding the agriculture and food area the following can be noted.

As mentioned in connection with the three latest reviews on PSA, Sweden has introduced a programme of action in order to handle the surplus production in the agriculture sector. As a result 260,000 hectares of acreage have been taken out of production during 1988, which means that the grain surplus from the 1988 harvest was expected to decrease with 700,000 tons. For 1989 205,000 tons are expected to be affected by the programme.

Furthermore, during the period 1 July 1989 - 30 June 1990 a two-step price system for milk was applied. The purpose of the system - i.e. to decrease the milk surplus - has in principle been fulfilled.

M. VENEZUELA

(Original: ESPAÑOL)

I. EVOLUCION RECIENTE DEL COMERCIO INTERNACIONAL

A. El comercio exterior venezolano

El comercio exterior desempeña un papel fundamental en la economía venezolana. Durante el período 1983-1988 las exportaciones promediaron aproximadamente 25% del PIB nominal y consistieron fundamentalmente en petróleo y sus derivados. En este mismo lapso, las importaciones, principalmente materias primas, maquinaria y material de transporte, representaron en promedio aproximadamente el 14% del PIB a precios corrientes.

Las exportaciones descendieron de 14.800 millones de dólares de los EE.UU. en 1983 a 10,2 millones de dólares de los EE.UU. en 1988. Los productos petroleros representaron 90% del total de las exportaciones entre 1983 y 1985. Esta participación descendió a cerca del 80% en 1988. En promedio, 39% del total de las importaciones están representadas por materias primas y 24% por maquinarias y equipos.

Estados Unidos es el principal socio comercial de Venezuela. En 1988 el comercio con ese país representó 41,7 y 43,8% del total de las importaciones y exportaciones, respectivamente. Otros socios comerciales importantes son Alemania occidental, Italia y el Japón.

En Venezuela, las exportaciones no tradicionales están constituidas por todos aquellos bienes exportables, con la excepción de petróleo, hierro, café y cacao. Desde los años 70 hasta 1982, las exportaciones no tradicionales han variado entre el 2 y el 4% de las exportaciones totales. Desde 1983, representan un promedio anual del 11,5%.

En 1988, aproximadamente 70% de las ENT fueron dirigida a Estados Unidos (22,1%), Japón (20,6%), Suiza (11,9%), Colombia (8,1%) y Holanda (7,5%). Estados Unidos adquirió fundamentalmente productos agrícolas e industriales, mientras que el 95% de las compras del Japón fueron de aluminio primario.

La nueva política económica

A fin de corregir los desequilibrios internos y externos y promover un crecimiento económico sostenido y no inflacionario, el Ejecutivo ha puesto en práctica un amplio programa de reformas económicas.

Este programa de reformas contempla el establecimiento de un mercado cambiario unificado en sustitución del régimen de cambios diferenciales que imperó en el país desde febrero de 1983. Actualmente, la tasa aplicable a las transacciones de divisas fluctúa libremente.

En el ámbito de la política comercial, el programa económico está dirigido a favorecer una más amplia participación del país en el comercio internacional, mediante el fortalecimiento de la capacidad competitiva de la industria, el fomento de las exportaciones no tradicionales, la progresiva reducción de las barreras arancelarias y la eliminación de las restricciones no arancelarias. Con este propósito, se ha iniciado un proceso de

liberalización gradual del mercado nacional y una reforma del arancel de aduanas, tendente a su simplificación y transparencia. También están en curso de modificación distintos mecanismos de apoyo a las exportaciones no tradicionales.

Asimismo, se ha planteado la reducción del déficit fiscal mediante el incremento de las tarifas de servicios, el aumento de la recaudación fiscal, la reorientación del gasto público y la privatización selectiva de empresas públicas. Estas reformas están orientadas a reducir la excesiva dependencia de los ingresos petroleros y elevar la participación de los tributos internos y de los ingresos corrientes en la estructura presupuestaria del sector público.

Además, se han ajustado los niveles de tasas de interés bancarias a fin de eliminar las distorsiones causadas por el mantenimiento de tasas activas y pasivas a niveles significativamente por debajo de la tasa de inflación. En este sentido, el Banco Central de Venezuela fija los tipos mínimos y máximos de interés, en línea con los objetivos de liquidez, y de acuerdo a los desarrollos observados en el mercado bancario. Con esta medida se trata de reducir el grueso desequilibrio entre ahorro e inversión desarrollado en los últimos años, y asegurar que en el futuro estos desequilibrios puedan adecuarse a las posibilidades reales de financiamiento externo y a las potencialidades de desarrollo del comercio exterior.

En cuanto a la renegociación de la deuda pública externa, se han fijado como objetivos la adecuación del servicio de la misma a las posibilidades reales de pago del país y el aprovechamiento de los distintos mecanismos propuestos a estos efectos. La deuda externa venezolana asciende actualmente a unos 34.000 millones de dólares de los EE.UU. y ocupa el cuarto lugar entre los deudores latinoamericanos. A pesar de que durante los últimos años el país ha efectuado pagos netos de amortización del orden de los 8.800 millones de dólares de los EE.UU., además de 16.700 millones de dólares de los EE.UU. en intereses, la deuda total todavía existente representa alrededor de un 61% del producto interno bruto y su servicio absorbe cerca de un 50% de sus ingresos por exportaciones. El fuerte drenaje de recursos que ocasiona el servicio de la deuda externa, constituye una seria limitación para la formación de capital y la recuperación del crecimiento económico sostenido del país.

Derechos antidumping y compensatorios de los países desarrollados

Es conveniente mencionar la Ley Omnibus de Comercio de Estados Unidos promulgada en agosto de 1988, la cual, entre otras cosas, no toma en cuenta los compromisos que ese país tiene asumidos en diversos instrumentos internacionales, especialmente el GATT. Esta nueva ley, fundamentada en el principio de reciprocidad, afecta directamente no sólo los principios preconizados por los países en desarrollo, tanto bilateral como multilateralmente, sino también la posición negociadora de estos últimos.

En este sentido las disposiciones de esta ley que podrían afectar directamente a Venezuela están referidas, entre otros aspectos a:

Disposiciones sobre subsidios y derechos compensatorios

La LOC establece patrones más estrictos que los del GATT y está diseñada de manera tal que cualquier tipo de subsidio puede ser sometido a derechos compensatorios. Según la LOC el término subsidio incluye cualquier ayuda dada por un gobierno o una empresa dirigida directa o indirectamente a la producción, manufactura o exportación de alguna clase de mercancía, incluyendo en particular:

- El suministro de capital o préstamo en condiciones preferenciales.

- El suministro de bienes y servicios a tasas preferenciales.

- La transferencia de la empresa al Estado de algún costo o gastos de manufactura, producción y distribución del producto.

- El otorgamiento de fondos o condonación de deudas para cubrir pérdidas de una empresa específica.

Otra manifestación del proteccionismo norteamericano es aquella referida a las crecientes restricciones aplicadas por ese país en contra de las exportaciones siderúrgicas de los países en desarrollo.

Al respecto, la Ley Omnibus no se pronuncia en torno al futuro de los AVR; sin embargo, fortalece el poder de negociación de los productores nacionales mediante dos disposiciones que pueden incidir en la efectividad de los AVR:

- La aplicación extraterritorial de los AVR: se contabilizará en la cuenta de un país signatario de un AVR todo producto de acero importado de un país no signatario de los AVR que utilice como insumo acero importado de un país signatario.

- Aplicación por parte de los Estados Unidos de restricciones a países no firmantes de los Acuerdos Voluntarios de Restricción.

En 1987 el Departamento de Comercio de los Estados Unidos (DOC) introdujo una demanda por dumping en contra de las exportaciones venezolanas del producto 'barras y alambres de aluminio" hacia el mercado de los Estados Unidos. Dicha demanda prosperó y el DOC, en la determinación final, estableció el pago de un derecho compensatorio del 38,40%. A comienzos del presente año el producto "sulfato de aluminio" fue objeto de una demanda por dumping y aplicación de derechos compensatorios. La Comisión de Comercio Internacional de los Estados Unidos, en la fase preliminar de la demanda, encontró indicios razonables para continuar con el proceso.

Proteccionismo de la CEE

Actualmente se puede apreciar el incremento de las medidas proteccionistas en el marco de la CEE; tales medidas persiguen proteger la producción nacional y en algunos casos a los países beneficiarios del Acuerdo de Lomé, con los cuales tiene la Comunidad acuerdos comerciales con o sin reciprocidad. Esta situación discriminatoria se agrava por el ingreso de España y Portugal a la CEE, a partir del 1° de enero de 1986.

El proteccionismo comunitario se traduce en barreras arancelarias y no arancelarias, siendo estas últimas las más importantes. Los controles sobre importaciones más utilizadas en la CEE son las cuotas, licencias previas, derechos compensatorios y antidumping, certificados de origen, controles de precios, impuestos y sobretasas, normas de seguridad, depósito de importaciones, disposiciones del Acuerdo Multifibras y trámites excesivamente complicados para los exportadores.

En el ámbito de las relaciones comerciales bilaterales Venezuela-CEE, es importante mencionar las crecientes restricciones que ha venido aplicando la CEE en los últimos años, las cuales afectan el libre acceso a ese mercado.

1. Las exportaciones de productos siderúrgicos son las que se han visto más afectadas por las medidas proteccionistas de la Comunidad. En los últimos años, la Comunidad inició un proceso de negociación con varios países exportadores de acero, destinado a limitar los volúmenes de productos siderúrgicos que ingresan al mercado comunitario, mediante Acuerdos Voluntarios de Restricción.

La investigación por dumping iniciada en 1982 en contra de las exportaciones del producto "desbastes en rollos para chapas de hierro o acero" de SIDOR, culminó en 1986 con la suscripción de un ACUERDO VOLUNTARIO DE RESTRICCION, de conformidad con la solicitud formulada por la Siderúrgica de Orinoco (SIDOR).

Este Acuerdo, que tenía vigencia por un año, fue renegociado para el período 1987-1988; posteriormente, la cuota para el período 1988-1989 fue renegociada en Bruselas en enero de 1989.

2. En 1982 la Comisión de la Comunidad inició un procedimiento antidumping en contra de las exportaciones de ferrosilicio procedentes de Venezuela, el cual culminó con la imposición de un derecho del 28,1%.

3. Otro producto afectado por restricciones aplicadas por la Comunidad es la urea. La CEE inició en octubre de 1987 la investigación antidumping de las importaciones de urea provenientes de Venezuela y otros cinco países. En el caso venezolano la demanda prosperó y culminó con la aplicación de un derecho ad valorem a ese producto del 21,5%.

B. Medidas de política económica que repercuten en el comercio internacional

Mediante el Decreto 239 de fecha 24 de mayo de 1989, el Ejecutivo Nacional dictó, entre otras medidas, las siguientes:

a) La reforma gradual del arancel de aduanas para promover su simplificación y transparencia;

b) La eliminación de las exoneraciones de los impuestos arancelarios para la importación de bienes manufacturados, con excepción de la cesta básica, de los productos importados bajo el régimen CKD e importaciones de algunos entes de la administración pública y de aquellos que el Estado considere imprescindibles;

c) El Ejecutivo Nacional inició conversaciones con las Partes Contratantes del GATT, con el objeto de estudiar la posibilidad del ingreso de Venezuela a ese Acuerdo;

d) El Ejecutivo Nacional establecerá mecanismos para enfrentar la competencia desleal en las importaciones, a cuyos fines, en el período de transición, se utilizarán impuestos compensatorios basados en comparaciones de precios internacionales, como sistema de protección;

e) A través del Ministerio de Fomento el Ejecutivo Nacional inició, en junio de 1989, un Programa de Asistencia Técnica y Financiera, por medio de diversos organismos especializados, para apoyar a empresas que estén dispuestas a aumentar su productividad, modernizar su tecnología y mejorar la calidad de su producción, con miras a expandir la exportación y estimular la competitividad frente a las importaciones;

f) En junio de 1989, los organismos del Estado involucrados en el proceso de exportación, flexibilizaron los procedimientos administrativos para exportar. Igualmente se eliminaron los permisos, licencias y prohibiciones existentes sobre los bienes de exportación, productos agrícolas, materias primas, bienes intermedios y bienes manufacturados, salvo para los productos actualmente incluidos en la cesta básica, los amparados por subsidios, los cuales serán sometidos a un régimen especial, y aquellos bienes que el Ejecutivo Nacional apruebe por razones de interés nacional.

C. Modificaciones en el arancel de aduanas

Mediante el Decreto 239 del 24 de mayo de 1989 el Gobierno Nacional estableció las políticas y metas del régimen comercial que propone instrumentar, con el objeto de corregir los desequilibrios fiscales, monetarios, cambiarios y de comercio exterior que han afectado la economía del país. Uno de los instrumentos a utilizar para lograr esos objetivos es la reforma del Arancel de Aduanas, a fin de simplificarlo y darle la importancia que tiene dentro del manejo del régimen de las importaciones. Los objetivos fundamentales del programa de reformas referido al Arancel de Aduanas son los siguientes:

Tarifa arancelaria

Para marzo de 1990 se reformará totalmente la tarifa arancelaria elevándola a un límite máximo del 50% ad valorem; a la vez Venezuela adoptará la Nomenclatura Común Andina, basada en el Sistema Armonizado de Designación y Codificación de las Mercancías. Como esta reforma es gradual se realizará en cinco tramos a saber:

1. Marzo de 1990, el límite máximo será del 50%

2. Marzo de 1991, el límite máximo será del 40%

3. Marzo de 1992, el límite máximo será del 30%

4. Marzo de 1993, el límite máximo será del 20%.

D. Restricciones no arancelarias

En el mes de junio de 1989 se redujeron hasta un máximo del 25% del producto manufacturado. Para marzo de 1990 se reducirán en un máximo del 15% y en septiembre se llevarán a un máximo del 5%.

Se eliminarán progresivamente las representadas por las notas:

1. Prohibida importación.

2. Importación reservada al Ejecutivo Nacional.

4. Licencias del Ministerio de Fomento.

8. Permiso del Ministerio de Hacienda.

Se utilizarán sólo para efecto de salud pública, sanidad, seguridad y defensa y en aquellas otras para las cuales el Estado considere imprescindible su aplicación.

Impuestos específicos

A partir del mes de junio de 1989 se procedió a su eliminación progresiva y se utilizará solamente el impuesto ad valorem.

Impuesto ad valorem

Desde el mes de junio del año en curso el límite máximo de este impuesto es del 80% para los bienes de consumo y el 50% para los bienes intermedios de capital y las materias primas. Con esto se pretende brindar a la industria una protección transitoria que será decreciente en el tiempo.

Exoneraciones

Se eliminarán a partir del año en curso para la importación de bienes manufacturados, con excepción de las correspondientes a la cesta básica, de los productos importados bajo el régimen CKD, las de algunos entes de la administración pública y de aquellos que el Estado considere imprescindible.

E. Convenios comerciales

Venezuela forma parte de dos acuerdos de integración económica: la Asociación Latinoamericana de Integración (ALADI), institución que cuenta con 11 países miembros y el Acuerdo de Cartagena o Pacto Andino, que reúne a cinco países de la subregión, que son a su vez miembros de la ALADI.

Nota: Todos estos puntos ya están en la fase de instrumentación.

Asociación Latinoamericana de Integración

Venezuela se incorporó a la ALADI en 1980. En el marco de este organismo ha suscrito seis Acuerdos de Alcance Parcial, con los siguientes países miembros de la ALADI: Argentina, Brasil, Chile, México, Paraguay y Uruguay. Dichos acuerdos, hasta la fecha, sólo han incluido preferencias arancelarias para determinadas listas de ítems.

Igualmente ha suscrito siete Acuerdos de Alcance Parcial con países en desarrollo de la región Latinoamericana y del Caribe no miembros de la ALADI, siendo estos países Costa Rica, El Salvador, Honduras, Nicaragua, Guatemala, Cuba y Trinidad y Tabago.

El Acuerdo de Cartagena

El Acuerdo de Cartagena, suscrito el 26 de mayo de 1969, entró en vigencia en octubre de ese mismo año. Establece un esquema de integración económica subregional para los países del área andina. Venezuela se adhiere al Acuerdo de Cartagena el 13 de febrero de 1973. Los países que lo conforman son: Bolivia, Colombia, Ecuador, Perú y Venezuela.

Entre los mecanismos establecidos en el Acuerdo para alcanzar la integración económica se cuentan la armonización de las políticas económicas y sociales, el desarrollo industrial conjunto, el programa de liberación y el establecimiento de un arancel externo común. Contempla también tratamientos preferenciales para Bolivia y Ecuador, que son considerados países de menor desarrollo relativo. En el programa de liberación se han incluido 3.327 ítems arancelarios; esto significa que pueden entrar a los mercados de Colombia, Perú y Venzuela sin gravámenes ni restricciones (Bolivia y Ecuador aplican la desgravación más lentamente). Para estos productos se dispone, además, de protección frente a terceros en virtud del Arancel Externo Mínimo Común, el cual está en revisión con el objeto de disminuir los niveles de protección.

Se cuenta también con mecanismos de protección como la cláusula de salvaguardia que permite suspender temporalmente la aplicación del programa de liberación.

Igualmente existe la Lista de Excepciones que es un mecanismo de protección temporal y la nómina de comercio administrativo, el cual es un mecanismo de regulación del comercio mediante la aplicación de cupos o contingentes.

Acuerdos comerciales bilaterales

A partir de 1984, Venezuela ha iniciado la suscripción de acuerdos comerciales bilaterales con países fuera del ámbito de la región latinoamericana.

Estos acuerdos contemplan mecanimos de cooperación destinados a fomentar el comercio, mediante el intercambnio de información, colaboración en la organización de misiones y ferias y la elaboración de listas indicativas de productos de interés de ambas partes.

Venezuela ha concluido Acuerdos de esta naturaleza con: URSS (1985), República Socialista de Rumania (1985), República Argelina Democrática y Popular (1985), República Popular de China (1985), Checoslovaquia (1986), República Democrática Alemana (1986), República Popular de Polonia (1988), República Popular de Hungría (1988), República Popular de Bulgaria (1988) y República Socialista de Yugoslavia (1988).

Asimismo, Venezuela firmó el 13 de abril de 1988 el Acuerdo Marco del Sistema Global de Preferencias Comerciales (SGPC), negociado en el marco de la UNCTAD para fomentar el comercio entre países en desarrollo miembros del Grupo de los 77.

F. Medidas y políticas para la liberalización, diversificación y expansión del comercio

Importaciones

Se ha simplificado el régimen legal de las importaciones, otorgándole una mayor transparencia y una menor discrecionalidad. La protección basada en los aranceles ha sustituido el excesivo énfasis en las medidas no arancelarias.

En el ámbito no arancelario, se eliminó el 56% de las prohibiciones y la totalidad de las licencias previas. Asimismo, de los 1.645 ítems, cuya importación estaba reservada al Gobierno nacional, quedaron sólo 285; es decir, se produjo una reducción del 82%. En total, se eliminó el 76,9% del total de las restricciones no arancelarias.

Los cambios introducidos se refieren a reformas arancelarias en el sector manufacturero, previéndose que la reforma del sector agrícola se inicie en 1991.

Medidas no arancelarias

La nueva política comercial prevé la eliminación gradual de las restricciones no arancelarias que corresponden a los regímenes legales establecidos en las denominadas Nota 1 (importación prohibida); Nota 2 (importación reservada al Ejecutivo Nacional); Nota 4 (licencia del Ministerio de Fomento) y Nota 8 (permiso del Ministerio de Hacienda).

En los cambios introducidos recientemente en el arancel de aduanas se eliminaron las restricciones de este tipo para 1.899 ítems, equivalente al 76,9% del total de los ítems sometidos a las restricciones no arancelarias antes citadas. Entre marzo y septiembre de 1990, el Ejecutivo Nacional se propone reducir la cobertura de las restricciones no arancelarias a un máximo de cinco por ciento (5%) del producto manufacturado. La determinación de los productos amparados bajo dichas retricciones se realizará en el período antes mencionado.

Uno de los propósitos principales del programa de reformas económicas puesto en práctica por el Ejecutivo Nacional es el de promover el crecimiento y diversificación de las exportaciones no tradicionales. El objetivo a mediano plazo es el de conformar una estructura económica menos dependiente del petróleo y un aparato productivo más competitivo y eficiente.

Otra medida importante de mencionar es la relativa al establecimiento de un tipo de cambio único flotante. Se espera de esta manera garantizar el mantenimiento de una paridad real y competitiva que estimule la producción de bienes transables internacionalmente.

Además, se mantendrá un sistema de incentivos fiscales y mecanismos financieros que estimulen el crecimiento de las exportaciones no tradicionales y permita contrarrestar el sesgo antiexportador.

Asimismo, se apoyará el fortalecimiento y creación de una red de comercialización que facilite el acceso de la oferta exportable del país a los mercados internacionales. También se flexibilizaron los procedimientos administrativos para exportar, mediante la eliminación de los permisos, licencias y prohibiciones existentes para los bienes de exportación.

G. Mecanismos para la evaluación de la política comercial interna

Dentro del programa que se está llevando a efecto con el Banco Mundial, se prevé la obtención de recursos para financiar contratación de consultores y adquirir sistemas de computación para el análisis y evaluación de áreas específicas de la política comercial.

II. APLICACION DE POLITICAS DE AJUSTE ESTRUCTURAL

A. Política de apoyo y asistencia prestada a los sectores en crisis

El Ejecutivo Nacional está desarrollando, con la coordinación de CORDIPLAN, ICE y FEDEINDUSTRIA, un Plan Especial de Emergencia para canalizar, en el corto plazo, la oferta exportable de la pequeña y mediana industria en tres sectores específicos, caracterizados por la utilización intensiva de mano de obra; estos son: confección, calzado y juguetes. Este Plan deberá generar resultados en un plazo estimado de seis meses.

B. Asistencia a sectores individuales con el objeto de restablecer la competitividad internacional

Una estrategia para impulsar la competitividad de Venezuela debe eliminar el sesgo antiexportador y concentrar esfuerzos en los sectores más dinámicos.

Para lograr que Venezuela compita exitosamente en el mercado internacional se han fijado los siguientes objetivos:

- Sustituir el sesgo antiexportador de la política comercial y cambiaria por una orientación claramente pro exportadora.

- Materializar las ventajas del país en sectores selectos: aluminio, metalmecánica, agroindustria, electrónica, petroquímica y turismo.

- Expansión de la inversión, la productividad y el dominio tecnológico en sectores exportadores.

- Desarrollar programas de apoyo a las exportaciones no petroleras.

- Corregir las limitantes para mejorar y flexibilizar nuestra participación en el mercado energético internacional.

Para lograr estos objetivos se ejecutarán una serie de medidas, contempladas en el VIII Plan de la Nación, tales como:

- Instrumentar una reforma arancelaria que promueva la competitividad y racionalizar los sistemas de protección no arancelarios.

- Mantener una tasa de cambio real, competitiva, que promueva las exportaciones no petroleras.

- Fomentar la inversión extranjera.

- Promover el uso de tecnología avanzada y mano de obra especializada.

- Mejorar la eficiencia de los servicios, la infraestructura de transporte y los sistemas de gestión para las actividades de exportación.

- Aprovechar la red diplomática en los esfuerzos de comercialización internacional.

- Aprovechar las ventajas derivadas de los mecanismos de integración.

- Priorizar los aumentos del potencial de producción de crudos según el valor comercial.

- Ampliar la flota de tanqueros y nuestra capacidad de comercialización.

- Ajustar el potencial de producción de acuerdo a un aprovechamiento flexible de las oportunidades del mercado energético mundial.

- Desarrollar fuentes energéticas alternas.

Asimismo, mediante el Decreto 239, relativo a las normas para la política comercial de Venezuela, el Ejecutivo Nacional adoptó algunas medidas, entre las cuales se pueden mencionar:

- La iniciación de un programa de asistencia técnica y financiera, a través de los diversos organismos especializados, para apoyar a empresas que estén dispuestas a aumentar su productividad, modernizar su tecnología y mejorar la calidad de su producción, con miras a expandir la exportación y estimular la competitividad frente a las importaciones.

- La reforma arancelaria se inició fundamentalmente en el sector manufacturero y consiste en el ajuste de las tarifas y la eliminación progresiva de las restricciones arancelarias.

- Llevar a cabo un estudio sobre el impacto del régimen comercial en el sector agrícola, a fin de armonizar la reforma en esta área con las políticas de precios, financiamiento y comercialización.

C. Política de asistencia a la reestructuración

Plan de emergencia para la pequeña y mediana industria

Como se mencionó anteriormente, el Ejecutivo Nacional está desarrollando un "Plan de exportación a corto plazo" para la pequeña y mediana industria, específicamente en los sectores de confección, calzado y juguetes.

Reconversión industrial

Como consecuencia del cambio de la política monetaria y financiera, la industria venezolana ha entrado en un proceso de reconversión industrial.

En tal sentido, en el VIII Plan de la Nación, se ha fijado como objetivo la promoción de la reconversión industrial con el fin de impulsar el crecimiento del sector para de este modo lograr una mayor productividad, calidad y generación de empleo en el mismo.

Los pilares fundamentales del proceso de reconversión son: el ahorro y generación de divisas, mediante la sustitución selectiva de importaciones y el incremento de las exportaciones, respectivamente, el aumento del valor agregado nacional, la articulación de desarrollos intersectoriales e interindustriales, así como el fomento de la regionalización industrial.

Inversiones extranjeras

A fin de adecuar el esquema jurídico a la realidad económica del país, se promulgó el Decreto 1.200 del 16 de julio de 1986, el cual reafirma la voluntad política del Estado de tener en las inversiones extranjeras un factor real de reactivación económica.

Los aspectos más importantes del Decreto 1.200 se pueden resumir en:

- No hay límites en la reinversión de utilidades.
- No hay límites para la distribución y remisión de utilidades.
- No hay límites para la reexportación de la inversión aunque se debe cumplir con la cancelación de los impuestos correspondientes.
- No hay obligación de suscribir convenios de transformación.
- Se permite la inversión extranjera hasta un 49% para la comercialización interna de bienes.
- Se estimula la reinversión e inversión de utilidades en el país.
- Se contempla una transformación radical del procedimiento de controles previos para el registro de la inversión extranjera, con la finalidad de agilizar los trámites.

Igualmente, el Ejecutivo Nacional promulgó el Decreto N° 86, mediante el cual se dicta el Régimen para la Conversión de Deuda Externa en Inversión.

Industria maquiladora

La maquila consiste en procesar bienes importados conjuntamente con los bienes nacionales y reproducir un bien final para la exportación. Este proceso de maquila se fundamenta en dos instrumentos de regímenes suspensivos:

1. Admisión temporal: el cual establece que se podrá importar los insumos necesarios para la elaboración de productos destinados a la exportación, sin pagar los correspondientes derechos aduanales.

2. Depósitos aduaneros: es una especie de zona franca para poder mantener los inventarios de estos bienes importados, que servirán para todo el procesamiento de los bienes finales, que irán a la exportación.

La idea fundamental de los regímenes suspensivos es poder importar aquello que se requiera para el proceso de producción, sin tener que pagar el arancel correspondiente para no encarecer el producto final que va a la exportación.

Otra característica de la maquila es que el Ejecutivo Nacional no define los productos que deberán procesarse bajo el sistema de maquila; sólo establece reglas generales y es el productor quien, para sus estudios de rentabilidad, decide cuál es el producto que va a elaborar en maquila.

El objetivo fundamental de la maquila es el crecimiento de las exportaciones no petroleras venezolanas.